



NATURAL RESOURCES, AGRICULTURE, & ENVIRONMENTAL QUALITY APPROPRIATIONS SUBCOMMITTEE, OVERVIEW

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

ISSUE BRIEF

SUMMARY

The Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee considers and discusses budgetary issues related to Utah's natural resources, agriculture, and environment. These budget issues often provide the framework for policy decisions for best use and preservation of air, land, and water in Utah.

The subcommittee reviews and approves a budget for the following state agencies: Department of Agriculture, Department of Natural Resources, School and Institutional Trust Lands Administration, Department of Environmental Quality, Public Lands Policy Coordination Office, and Office of Energy Development.

The Budget Analysis Format

The budget analyses for the 2013 General Session consist of the following three parts:

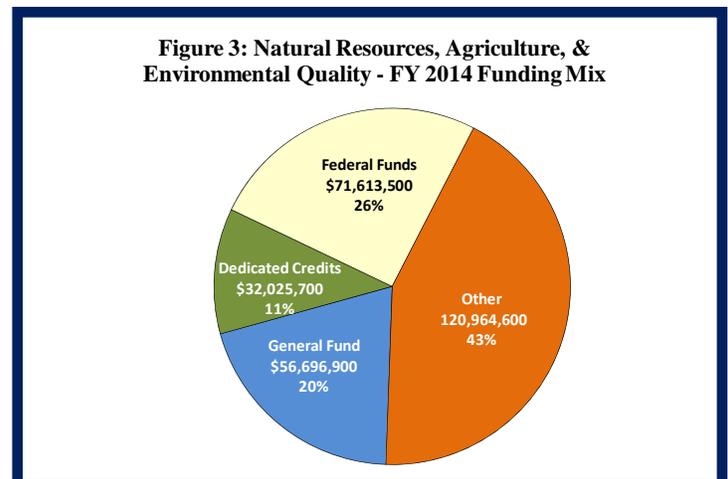
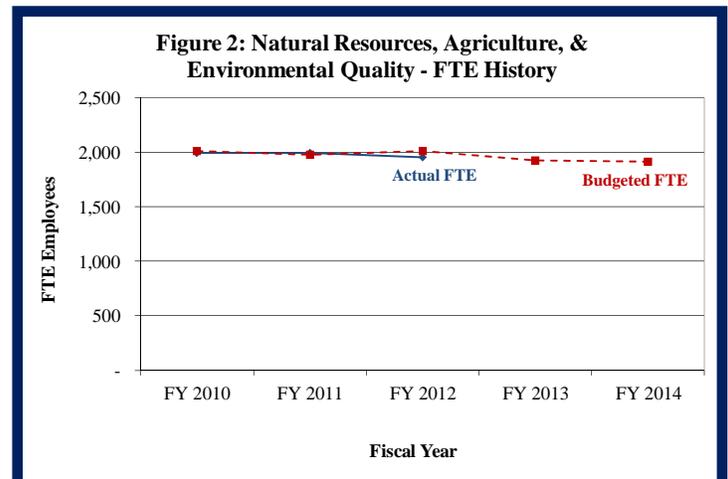
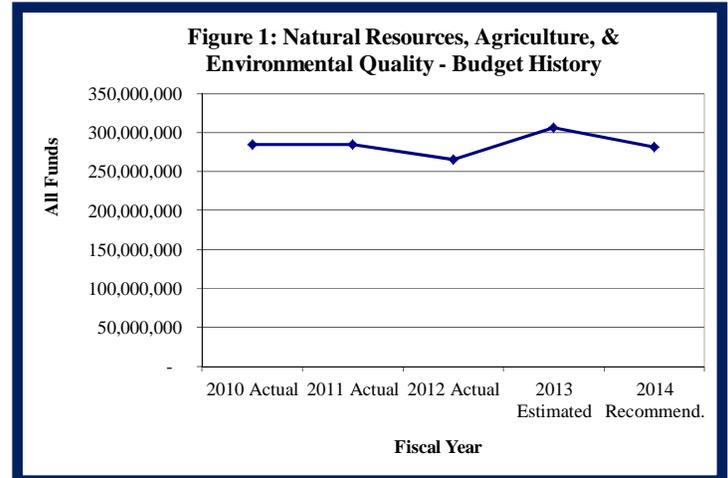
Compendium of Budget Information (COBI) provides historic and detailed budget information at a program level. The COBI is available on the Legislature's webpage (http://le.utah.gov/lfa/reports/cobi2013/sctte_28.htm).

Budget Briefs are short documents which present information about a budget area (used at the line item level), address issues, provide accountability measures, and display a brief funding history. They also contain the Analyst's recommendations for budget and intent language.

Issue Briefs are documents which discuss issues transcending line items or merit more space than available in a budget brief.

Base Budget Adoption

Adoption of a base budget enables programs to continue for the next fiscal year at relatively similar budget level as the current fiscal year.



Note: The figures above do not include proprietary and fiduciary funds, which are reported on pages 15-17.

Unless there is a revenue shortfall, the ongoing appropriations from the current fiscal year become the agencies' base budgets for next fiscal year. Base budget bills are presented to the whole Legislature for voting in the first ten days of the General Session. The base budget will then be further adjusted during the course of the General Session through supplemental appropriation bills.

The base budget can be adjusted due to increases or decreases in federal funds, dedicated credits, and nonlapsing balances, or program shifts within a line item.

At this time, the Executive Appropriations Committee (EAC) has not allocated any General/Education Funds beyond the agencies' base budgets. Appropriations subcommittees are encouraged to fund their priorities through reallocation of base budgets among programs, and to prepare a funding priority list for the EAC. The Analyst's recommendations for non-General Fund increase are built into the tables and the graphs of the budget briefs.

Compensation Package Not Discussed

The Analyst's recommendations do not include compensation issues. The compensation and benefits increases for all state employees will be addressed centrally by the Executive Appropriations Committee.

Adoption of Fees

All fees, including proposed fee changes, will be presented in issue briefs for approval by the subcommittee first, then by EAC, and finally by the Legislature as a whole.

Intent Language

The proposed intent language is included in the budget briefs of the corresponding line items for legislative approval. An issue brief summarizing all the proposed intent language will also be provided to the subcommittee on the day of voting.

AGENCIES' ISSUES

This section contains summaries of some of the most pressing issues the agencies have provided for the members of the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee.

Department of Agriculture and Food

Invasive Species Mitigation: Utah's 2012 wildland fire season destroyed more than 400,000 acres of forest and rangeland resources. Much of that damage could have been limited had the fuels for the fires been more fire resistant. When weeds and cheat grass replace native plant species healthy landscapes suffer. Reclaiming invasive species with robust plants reduces the threat of catastrophic fires, mitigates flooding, and improves air quality.

Large-Landscape Grazing Projects: Utah's livestock grazing industry generates more than \$350 million of revenue each year. By utilizing modern grazing practices public lands are protected and enhanced so that they remain a viable resource into the future. It has been determined that large landscape projects have a positive effect on the health of substantial acres of grazing land. These projects allow many parties, private and public, to work together in managing the lands of the state. Through its Grazing Improvement Program (GIP), the department desires to create additional multi-rancher grazing units.

Agriculture Water Quality Issues: Agriculture in the State of Utah utilizes substantial portions of Utah's water resource. When that water is properly managed incidents of pollution of the resource diminish. The Department of Agriculture and Food is working in partnership with the Department of Environmental Quality, local water treatment facilities, and private landowners to control nonpoint source water contamination.

Food Safety: During 2012 the Governor's Office of Planning and Budget (GOPB) identified the need to enhance the Food Safety program within the Department of Agriculture and Food. During FY 2014, the department will prepare a proposal for this enhancement. This includes increases in staffing, as per the GOPB recommendation, and possible increases in fees to cover the additional costs incurred.

Department of Natural Resources

Invasive Species Plants and Animals: Cheat grass, Quagga/Zebra mussels, Phragmites, etc., take over lands and water bodies. These species destroy rangelands, exacerbate wildland fires, and ruin aquatic life and shorelines. Healthy watersheds provide quality habitat for grazing, increase water yields and conditions conducive to endangered species mitigation.

Insect and Disease Impacts On Utah Forests: There are significant negative impacts of insect and disease in conjunction with over-maturity of Utah's forests. The loss of forest cover directly impacts water quantity and quality, as well as significantly increases the chance of catastrophic wild fires. Fires contribute to the degradation of water quality and quantity, and also threaten life and property.

Watershed Habitat Improvement: A total of 850,000 acres restored/treated from FY 2005 through 2012. Total expenses for those acres were \$80.4 million, with an additional \$6.6 million of in-kind contributions. 72,000 acres of watershed restoration projects were completed in FY 2012. Funding was leveraged at more than \$4.50 from private and public partners for every \$1.00 of funding used. Many of the projects completed help reduce the threats from future wildfire.

Predator Control: The Mule Deer Protection Act was implemented in July of 2012 by establishing the Predator Incentive Program. More than \$500,000 has been dedicated to payments to members of the public who join the program and bring in proof of coyote removal. The hope is that removing coyotes will improve fawn:doe ratios and increase deer populations. Program participants are helping to collect basic information that the Division of Wildlife Resources will use to assess the success of the program.

Revenue Changes: The department obtains more than 80% of its revenue from non-general fund sources. It is anticipated that revenue collections will experience modest growth in the largest areas of operation. Major revenue sources for the department are supported through discretionary expenditures by the public. If discretionary spending is reduced through recessionary pressures the department may also experience a decline in revenue. The department also receives a significant portion of funding from the Federal Government. Congress may force the implementation of reduce federal spending in calendar year 2014. Federal funds are currently supporting natural resource programs that benefit the citizens of the state. Potential program impacts include everything from abandon mine reclamation to boating safety and hazardous fuels reduction. These funds will not be replaced by the General Fund. The department is developing strategies to minimize service delivery impacts to the public where possible and appropriate if funding is reduced.

Department of Environmental Quality

Water Quality Nutrient Standards: The Division of Water Quality has been working for 16 months with a stakeholder-led work group to develop numeric nutrient criteria for nitrogen and phosphorus to protect Utah's waters. Approximately one-third of Utah's flowing waters and lakes are impaired due to elevated nutrient levels resulting in low oxygen levels in the waters. We anticipate the work group to complete its work by the end of 2013, which will then allow outreach to a broader group of stakeholders prior to initiating rulemaking activities in early to mid-2014 to adopt the numeric criteria.

Air Quality PM2.5 State Implementation Plans (SIP): Seven counties in Utah either do not meet, or impact areas do not meet, the federal health standard for PM2.5. These counties contain the majority of Utah's

population. DEQ continues to lead a broad stakeholder base to develop effective plans to reduce emissions that lead to high PM2.5 concentrations during winter inversion periods.

Division of Radiation Control Audit: The Legislative Auditor General issued a final performance audit report in September, 2012 of the Division of Radiation Control with respect to its regulatory responsibilities for monitoring the management and disposal of low-level radioactive waste by EnergySolutions at the Clive facility in Tooele County. The division is addressing the various report recommendations by implementing numerous procedures to enhance independent validation and verification of incoming waste shipments.

Uintah Basin Air Quality: Wintertime ozone concentrations in the Basin have exceeded federal health standards on numerous occasions over the last several years. Intensive air quality studies have shown that high ozone is linked to snow cover, temperature inversion, and sunny conditions. Air quality researchers under the leadership of the DEQ will conduct their third study this February that will be focused on the chemical processes that lead to ozone formation in the Basin.

School and Institutional Trust Lands Administration

Fire Restoration: SITLA takes seriously the restoration and rehabilitation of its lands burned by wildfire. In 2012, SITLA expects to spend nearly \$450,000 to pay for seed and application costs for fire restoration on trust lands.

Environmental Liability: SITLA's diverse leasing portfolio for mineral extraction and industrial, commercial, and agricultural leases has the potential to expose the agency to environmental liabilities and resultant legal problems and remediation costs. To reduce the likelihood of these kinds of problems, SITLA has ramped-up review and inspection of its leases to insure it is using "best practices" in its leasing programs. While this proactive management strategy will substantially minimize SITLA's liability risks in the long run, it has required to spend additional money and resources to address specific problems.

Recreational Land Exchange: The purpose of the Recreational Land Exchange is to trade environmentally sensitive trust lands in Grand and Uintah Counties for federal lands in these same counties which have the potential for income generation. The Utah Recreational Land Exchange Act became law in 2009. It is only now, however, that appraisals of the 45,000 acres of trust land and 36,000 acres of federal land are beginning. SITLA and BLM have committed to split expenses associated with appraisal costs.

Legitimizing County Road Claims: Over the last five years, SITLA has been engaged in a process whereby all county-claimed roads located on trust land are legitimized. All Class B roads have been reviewed and most of the easements have been issued. The SITLA administration expects to complete the Class D road inventory on a systematic basis over the next decade.

Public Lands Policy Coordination Office

Preservation of Access: The federal government has refused to recognize the ownership interest of state and county governments in roads throughout Utah, and continues to close roads and restrict access to public lands. The Public Lands Office (PLPCO) leads the effort to preserve access through negotiation and litigation of individual rights-of-way, and recognition of local access needs through federal land planning efforts. The Office of the Attorney General has filed over 20 lawsuits to clear title to approximately 10,500 roads around the state. Present efforts focus on working to preserve the testimony of aging witnesses.

Restoration of State's Position in the Federal System: The federal government has been accelerating its assertions of authority over a multitude of resources on public lands and increasing the regulatory burden on private lands and businesses. PLPCO, in conjunction with the Office of the Attorney General,

provides staff, research, and support to the Constitutional Defense Council and the Federalism Subcommittee, which were created to analyze and evaluate certain federal government actions and laws with regard to public lands issues. PLPCO's analysis and research focuses on whether the federal laws or actions intrude on the sovereign rights reserved to the states, or overstep the authority granted to the federal government under the United States Constitution and the Tenth Amendment.

In furtherance of this purpose, in 2012, the Legislature enacted H.B. 148, the "Transfer of Public Lands Act," calling for a study and eventual transfer of the title to federally owned public lands in the State of Utah from the federal government to the state. On November 14, 2012, a report was presented to the Natural Resources, Agriculture and Environment Interim Committee and the Education Interim Committee, outlining many of the preliminary issues which will require further investigation and research. PLPCO, as directed by the Legislature, will continue to provide research and to analyze potential legal and administrative actions to push for a restored balance between the federal and state governments on public lands issues.

Sage-Grouse Conservation Plan and Other Endangered Species Act Decisions: The Department of Interior is advancing numerous proposals related to listed and candidate species under the Endangered Species Act. The 2010 classification of the Greater Sage-Grouse as "warranted for listing" is a matter of concern. If the Sage-Grouse is listed, access to and use of public lands in Utah will be curtailed, and the listing may disrupt the quality of life in Utah. The Public Lands Office is working with state and federal partners and other stakeholders to ensure that the state is not adversely affected by federal decisions related to the species.

Office of Energy Development

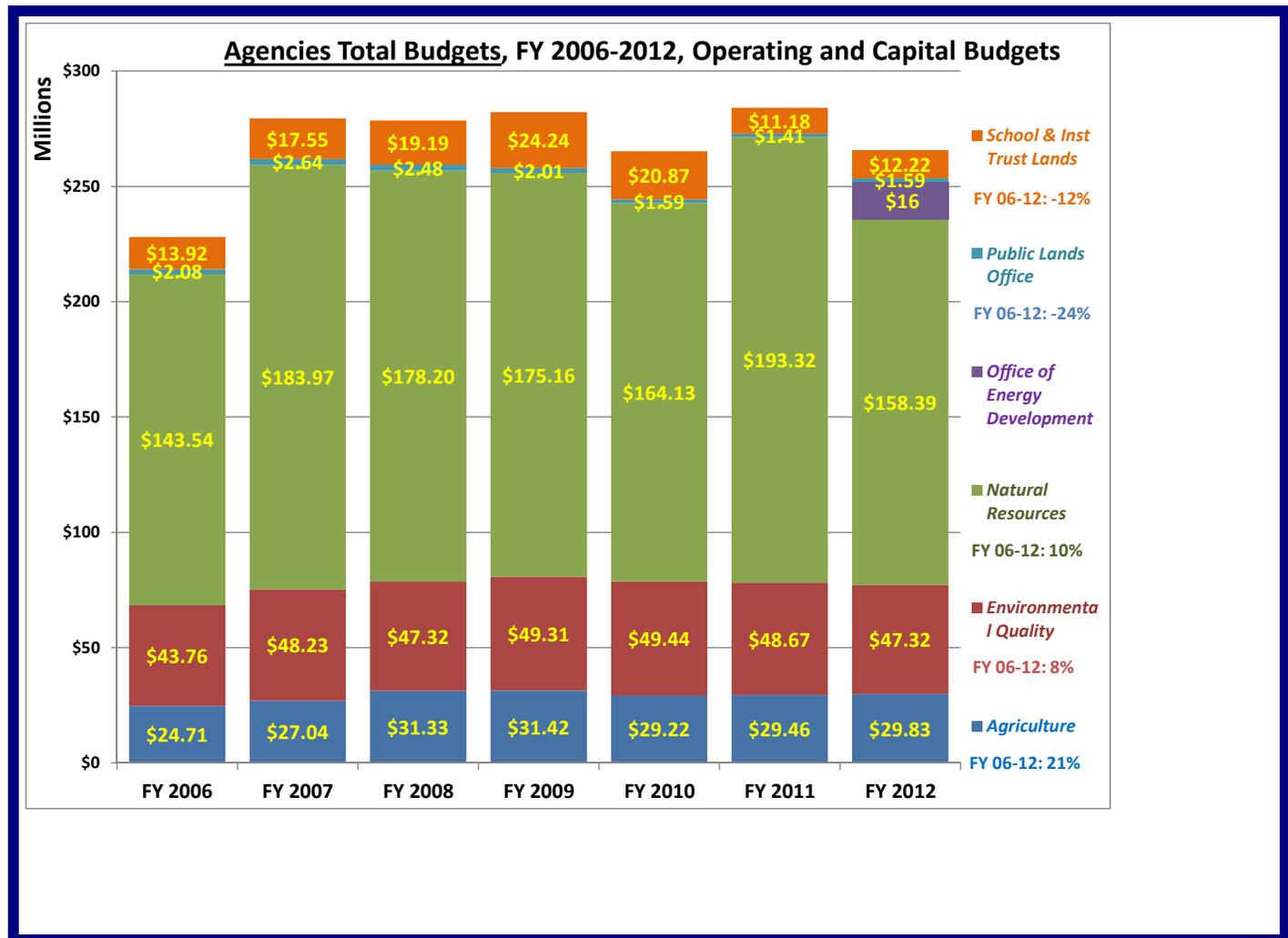
With the expiration of the ARRA (American Recovery and Reinvestment Act) funding in FY 2014, the Office of Energy Development (OED) will see a significant decrease in federal funding for energy projects and programs. A significant portion of the OED budget is designated for supporting energy related staff member salaries (economic development managers, program administrators) and the support staff (energy analysts, communications specialists) required to administer the work. In future fiscal years potential additional funding may be required to sustain quality staff, professional development, resource tools, overhead and travel.

BUDGET DETAIL

Agencies Budgets Over Time

The overall funding for this subcommittee has increased since FY 2006 in spite of the General Fund reductions in the past few years. This was mainly due to increase of revenues from fees and federal funds.

The figure titled “Agencies Total Budgets, FY 2006-2012, Operating and Capital Budgets” below presents a seven-year history of actual expenditures of the agencies in the Natural Resources, Agriculture, Environmental Quality Appropriations Subcommittee.



Three of the agencies have increased their overall budgets between FY 2006 and FY 2012 as follows:

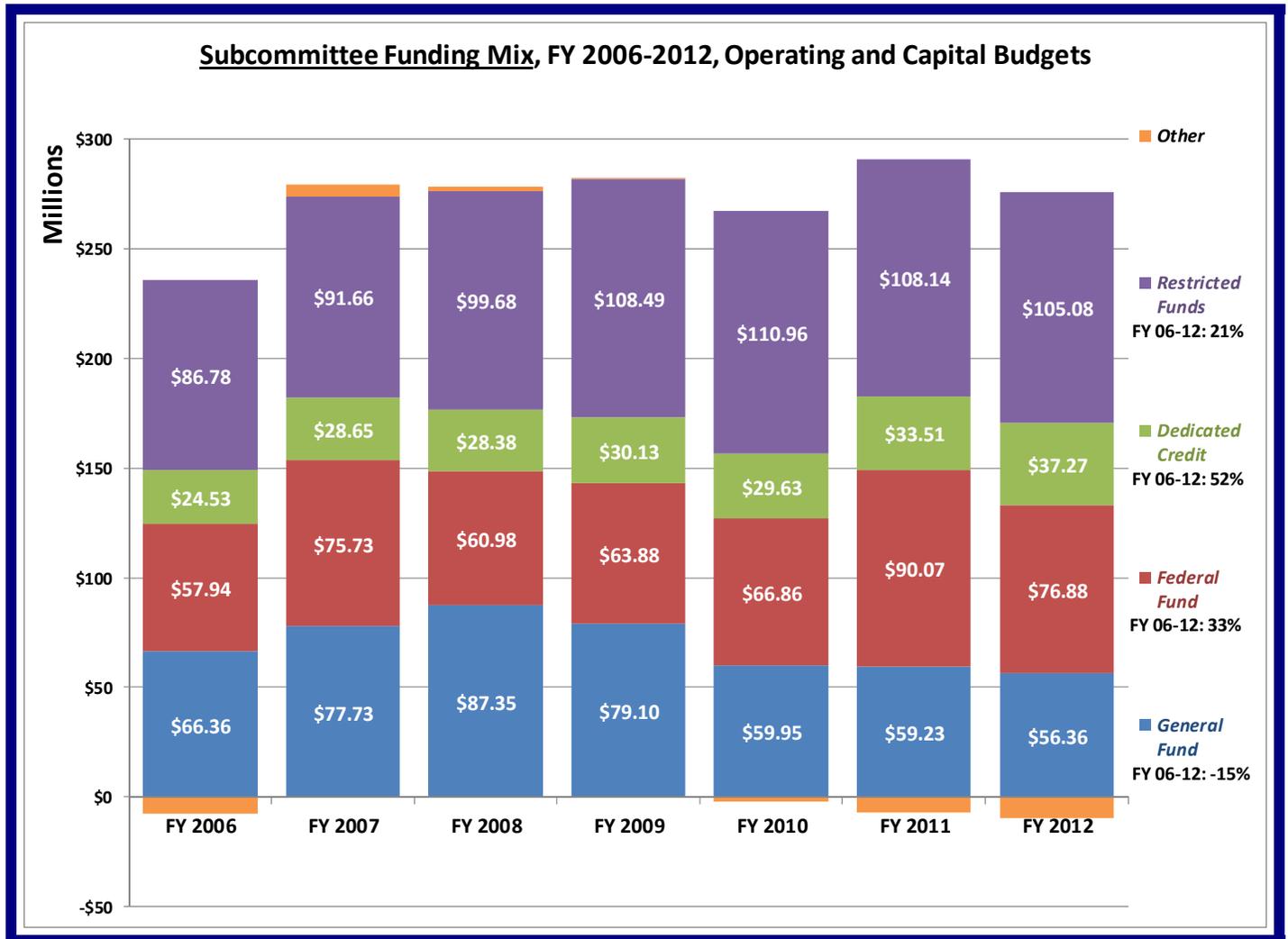
- Agriculture by \$5.1 million or 21%,
- DNR by \$14.8 million or 10%, and
- DEQ by \$3 million or 8%.

The budgets of the following two agencies have decreased during the same period:

- SITLA by \$1.7 million or 12%, and
- Public Lands Office by \$0.5 million or 24%.

Major Funding Sources for the Subcommittee

The figure titled “Subcommittee Funding Mix, FY 2006-2012, Operating and Capital Budgets” below presents the major funding sources for the agencies in this subcommittee. On average, during the last seven years, the largest funding category for the subcommittee has been restricted funds, 38% of the total funding. The next largest have been the General Fund and federal funds, each representing 26% of the total. The average Dedicated Credits for this period has been 11%. Please refer to the Glossary of Terms on p. 17 for definitions of the different funding types.

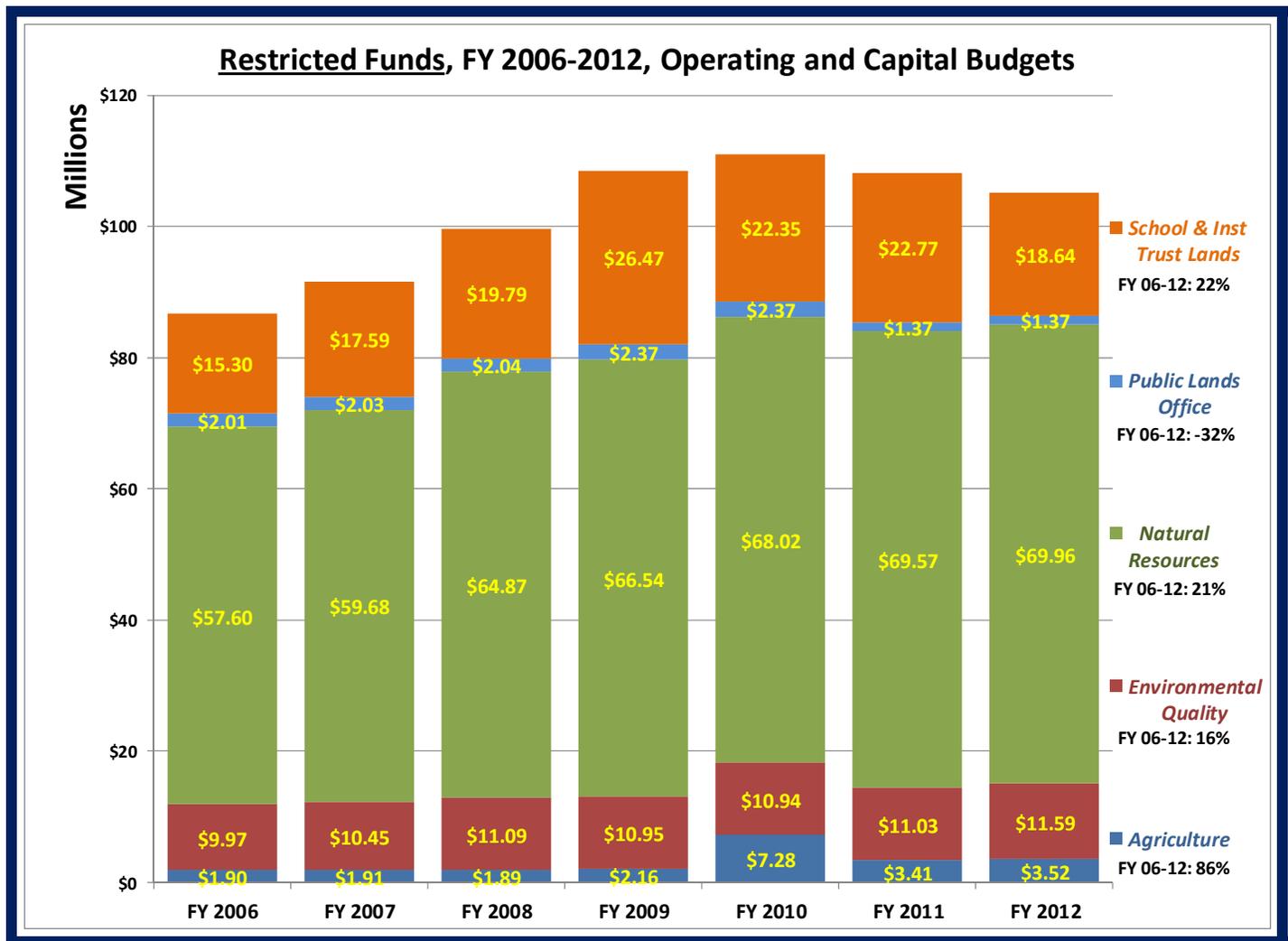


The funding type with the largest increase in the last seven year has been Dedicated Credits (52%), followed by Federal Funds (33%), and restricted funds (21%). The General Fund for the agencies in this subcommittee was decreased by 15% for that period.

Restricted Funds

The largest category in the subcommittee’s funding mix is restricted funds, comprising 40% of the total in FY 2012. These revenues are generated from over 40 different restricted accounts (for details, please refer to the Budget Detail Tables section at the end of this issue brief). The revenues in these accounts are usually generated from fees, the usage of the funding is prescribed in statute, and the money has to be appropriated by the Legislature in order to be expended by the agencies.

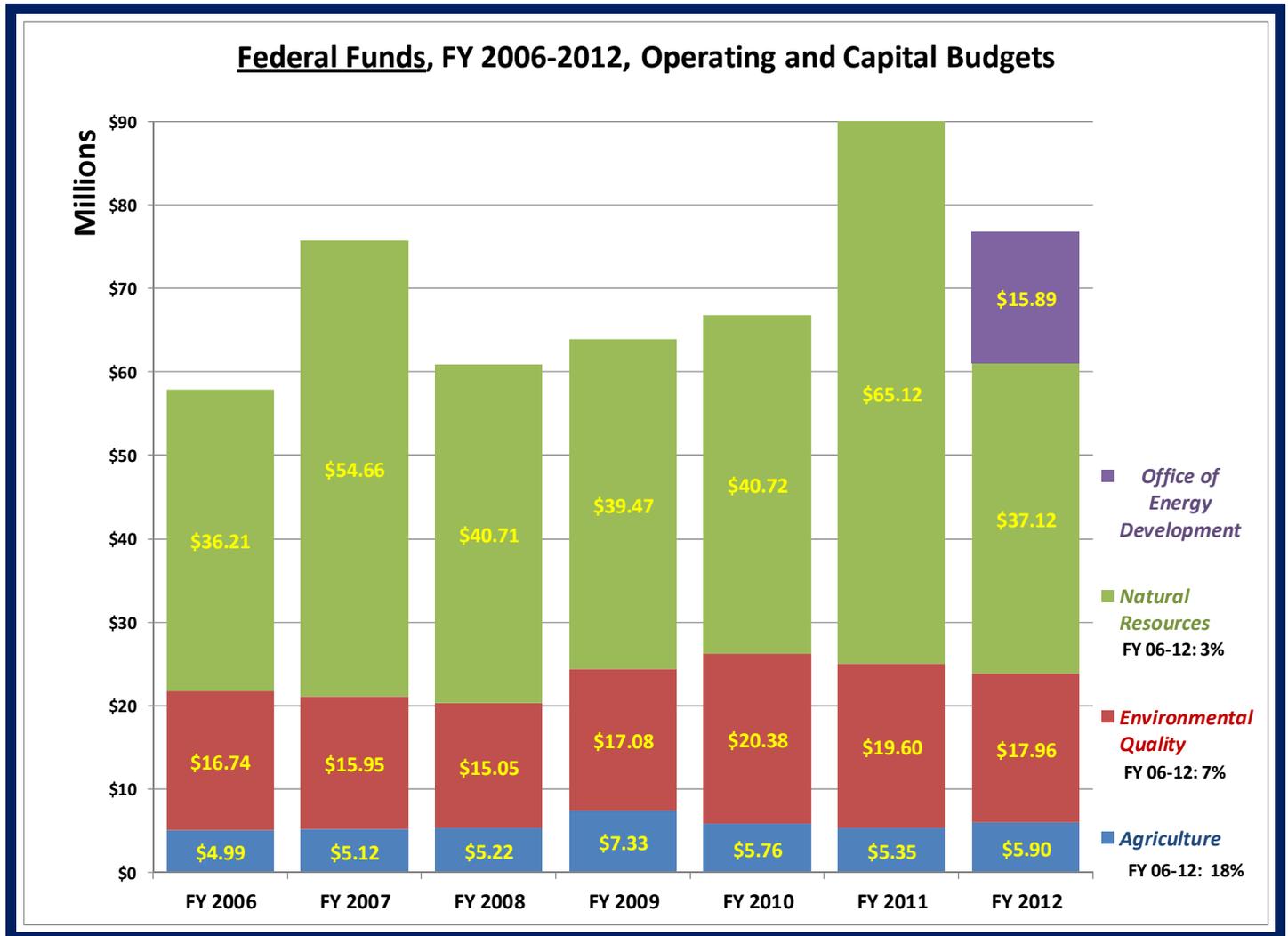
The usage of restricted funds in the subcommittee has increased between FY 2006 and FY 2012 by \$18.3 million or 21%. In many instances restricted funds were used to fill the gap from the General Fund reductions in the last few years. The restricted funds expenditures by agency in the last seven years are shown in the figure below, titled “Restricted Funds, FY 2006-2012, Operating and Capital Budgets.”



Federal Funds

The second largest funding source in FY 2012 for the subcommittee was federal funds, 29% of the total. This category includes various grants from federal agencies, as well as Federal Mineral Lease and American Recovery and Reinvestment Act (ARRA) funds.

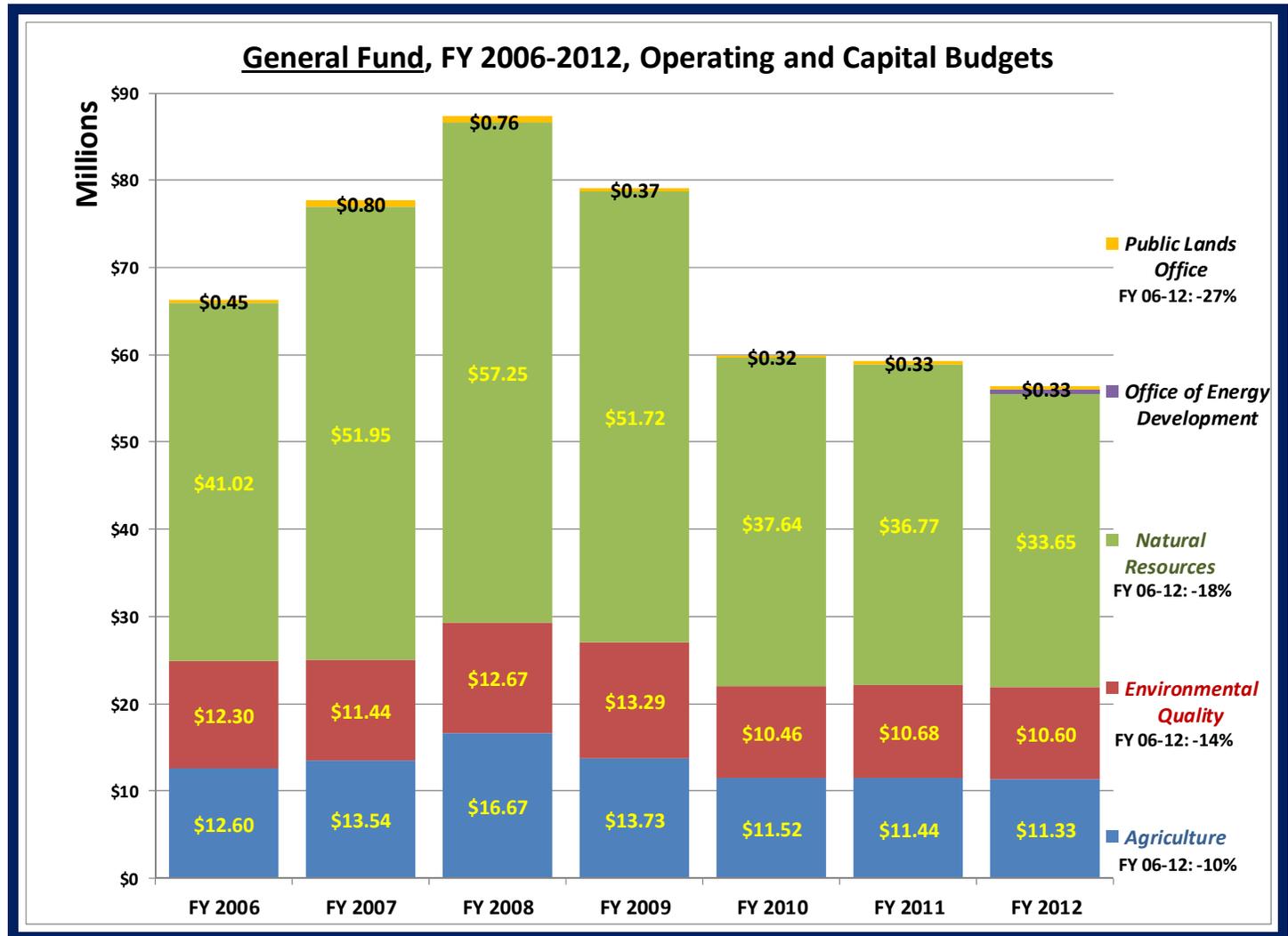
The use of federal funding in the operating and capital budget of the agencies in the subcommittee has increased between FY 2006 and FY 2012 by \$19 million or 33%. Considering the likelihood of reductions in many of the federal funding sources, it is important for agencies and programs that are currently relying on federal funds to have contingencies in place. The federal fund budgets in the last seven years are presented in the following figure.



General Fund

As a result of budget reductions, the General Fund appropriation to the operating and capital budgets of the agencies in this subcommittee between FY 2006 and FY 2012 was reduced by \$10 million or 15%. In FY 2012, the General Fund comprised 21% of the subcommittee’s total funding, compared to a high of 31% in FY 2008. As mentioned earlier, in many instances the General Fund reductions were replaced with appropriations from restricted funds, minimizing the negative impact on the particular entities.

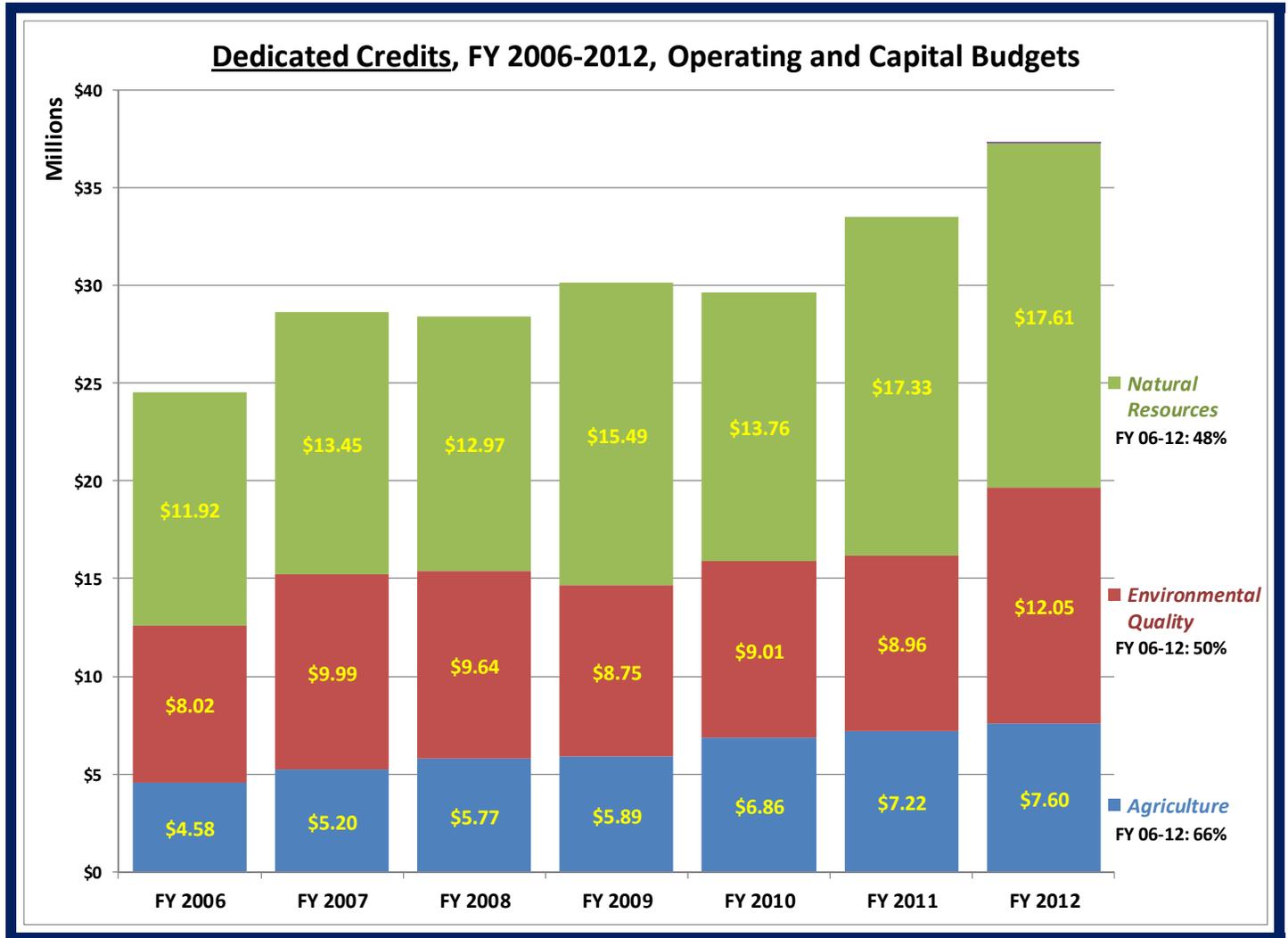
The figure below presents the General Fund budgets between FY 2006 and FY 2012 by agency.



Dedicated Credits

Dedicated Credit revenues are mainly from fees for service provided by the agencies. This type of funding comprised 13% of the total subcommittee funding mix in FY 2012, and it has increased by \$9.3 million or 38% in the last seven years.

The figure below shows the Dedicated Credit revenues increases during the last seven years by agency.



Fund Balances of the Restricted Accounts at the End of FY 2012

The table titled “Restricted Accounts Fund Balances, FY 2012” below represents the FY 2012 year-end-balances for the major restricted accounts appropriated in this subcommittee. The table also has references for the statutory authority, the revenue sources, and the prescribed uses of the funds. The last column shows how much each fund balance has increased or decreased from the previous year.

| Restricted Accounts Fund Balances, FY 2012 | | | | | | |
|---|--|--|--|--|------------------------|------------------------|
| Agency | Account Name | Statutory Authority | Revenue Sources | Prescribed Uses | FY 2012 Balance | FY 11-12 Change |
| Forestry & Fire | Sovereign Land Management Account | UCA 65A-5-1 | Revenue derived from sovereign lands | Division expenses relating directly to management of state lands | \$19,513,300 | \$4,720,200 |
| Wildlife | Wildlife Resources Account | UCA 23-14-13 | fee revenues | Administration of Wildlife Resources | \$11,044,600 | (\$21,000) |
| Parks | State Park Fees Restricted Account | UCA 79-4-402 | Entrance, camping & golf fees; Sales of buffalo | Division | \$7,553,800 | \$2,906,600 |
| Parks | Off Highway Vehicle Account | UCA 41-22-19; Fuel tax (UCA 59-13-201 (8)) | OHV registration fees Fuel tax | Construction or maintenance of public OHV facilities; Mitigation of OHV use; As grants for public OHV facilities; OHV education; | \$5,775,900 | \$865,900 |
| DEQ | Radioactive Waste Perpetual Care & Maintenance Account | UCA 19-3-106 | annual fees, interest | perpetual care & maintenance of commercial radioactive waste facilities | \$4,478,700 | \$406,300 |
| DEQ | Environmental Quality Restricted Account | UCA 19-1-108 | radioactive waste fees, hazardous waste fees, PCB waste fees, solid waste fees, generator site access permits, uranium recovery, waste facility fees | radiation control programs, solid & hazardous waste programs | \$2,817,700 | \$1,382,600 |
| Oil & Gas | Abandoned Mine Reclamation Fund | UCA 40-10-25.1 | fees and collections | division | \$2,258,900 | \$16,100 |
| Parks | Boating Account | UCA 73-18-22; Fuel tax (UCA 59-13-201 (6)) | Motorboat and sailboat registration fees; fuel tax | construction or maintenance of public boating facilities; Boater education; Division admin and enforcing boating laws. | \$2,102,300 | \$761,100 |
| Wildlife | Wildlife Resource Trust Account | UCA 23-19-17.7 | lifetime licenses fee revenues | enhancement of wildlife | \$1,905,900 | \$233,900 |
| DNR Admin | Species Protection Account | UCA 79-2-302 | brine shrimp tax, brine shrimp royalties | for studies; wetlands mitigation projects; Reclamation Mitigation and Conservation Account; Tax Commission. | \$1,033,100 | \$0 |
| Wildlife | Wildlife Habitat Account | UCA 23-19-43 | fee revenues | wetlands; nonprofit conservation organizations; upland game projects | \$924,700 | (\$139,100) |
| DEQ | Used Oil Collection Administration Account | UCA 19-6-719 | recycling fee, permits, penalties, grants & donations | recycling incentive payments, public education programs, grants, local health departments | \$845,500 | \$276,000 |
| Agriculture | Utah Livestock Brand and Anti-theft Fund | UCA 4-24-24 | fee revenues | for livestock brand and anti-theft and domesticate elk | \$490,000 | (\$120,800) |
| Agriculture | Agricultural and Wildlife Damage Prevention Account | UCA 4-23-7.5 | fee revenues and contributions | by the department | \$100,400 | \$14,800 |
| Public Lands Office | Constitutional Defense Restricted Account | 63C-4-103 | bonus on mineral leases, contributions | Federalism Subcommittee, PLPCO, Governor's Office, AG's Office, Counties | \$0 | (\$649,800) |

Agencies Expenditures

The table titled “Subcommittee Expenditures Over Time, Operating and Capital Budgets” below provides summary data on the subcommittee expenditures over the last seven years.

| Subcommittee Expenditures Over Time, Operating and Capital Budgets | | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|
| Expenditure Category | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | Change FY 2006-2012 |
| Personnel Services | 119,553,400 | 125,914,600 | 136,467,600 | 144,728,200 | 140,461,400 | 143,455,400 | 138,788,300 | 16% 19,234,900 |
| In-state Travel | 1,574,100 | 1,592,200 | 1,786,300 | 1,447,100 | 1,305,500 | 1,317,900 | 1,385,500 | -12% (188,600) |
| Out-of-state Travel | 762,100 | 854,900 | 925,500 | 724,900 | 561,900 | 722,000 | 783,100 | 3% 21,000 |
| Current Expense | 56,631,300 | 62,639,800 | 71,964,700 | 64,302,900 | 60,452,100 | 65,793,300 | 59,944,600 | 6% 3,313,300 |
| DP Current Expense | 3,229,300 | 7,166,800 | 7,328,200 | 8,546,700 | 8,026,700 | 8,707,300 | 7,850,200 | 143% 4,620,900 |
| DP Capital Outlay | 117,800 | 257,500 | 382,000 | 25,800 | 44,000 | 86,900 | 57,700 | -51% (60,100) |
| Capital Outlay | 10,256,200 | 46,239,100 | 15,745,200 | 19,536,100 | 17,779,100 | 6,565,200 | 7,652,800 | -25% (2,603,400) |
| Other Charges/Pass Thru | 35,882,800 | 34,033,200 | 43,945,700 | 46,756,100 | 38,350,200 | 58,245,100 | 49,133,900 | 37% 13,251,100 |
| Cost Accounts | 6,600 | (600) | (61,900) | 2,300 | 5,400 | 4,300 | 118,700 | 1698% 112,100 |
| Transfers | 400,000 | 733,800 | 428,900 | 0 | 0 | 0 | 0 | (400,000) |
| Grand Total | 228,413,600 | 279,431,300 | 278,912,200 | 286,070,100 | 266,986,300 | 284,897,400 | 265,714,800 | 16% 37,301,200 |

The Personnel Services, Current Expense, Out-of-State Travel, and Other Charges/Pass Thru expenditure categories have increased between FY 2006 and FY 2012. For the same period, agencies have reduced their expenditures in In-state Travel, DP Capital Outlay, and Capital Outlay.

Full Time Equivalent

Despite the budget reductions in the last few years, the overall number of full time equivalent (FTE) for the subcommittee has remained relatively unchanged between FY 2006 and FY 2012 (see table below).

| Actual FTE Over Time | | | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 |
| Agriculture | 210 | 204 | 209 | 203 | 220 | 195 | 199 |
| Environmental Quality | 420 | 421 | 403 | 393 | 391 | 387 | 385 |
| Natural Resources | 1,273 | 1,317 | 1,358 | 1,341 | 1,324 | 1,310 | 1,322 |
| Office of Energy Development | - | - | - | - | - | - | 16 |
| Public Lands Office | 7 | 9 | 8 | 8 | 7 | 9 | 13 |
| School & Inst Trust Lands | 70 | 69 | 71 | 70 | 68 | 77 | 75 |
| Grand Total | 1,980 | 2,019 | 2,049 | 2,013 | 2,010 | 1,978 | 2,010 |

During the period between FY 2006 and FY 2012, two agencies reduced their FTE count: Agriculture (5%) and Environmental Quality (8%), while the other three have increased their FTEs as follows:

- Public Lands Office by 94%,
- SITLA by 7%, and
- DNR by 4%.

BUDGET DETAIL TABLES

On November 13, 2012, the Executive Appropriations Committee approved reorganization of appropriations acts so that they will more clearly identify different types of transactions. Under the reorganization, operating and capital appropriations – typically thought of as “the budget” – will be presented in separate subsections from items that approve business-like activities, review fiduciary funds, or simply move money from one account to another. The reorganization will not only more clearly communicate the legislature’s intent to state agencies and the Division of Finance, it will also allow readers to more easily compare appropriations acts to other budget documents, such as the Governor’s recommendations and the Comprehensive Annual Financial Report.

The reorganization also allows legislative staff to present more and better information about certain types of financial activity. Because transactions are now presented and summarized by type, all activity in self-spending “restricted special revenue” funds and enterprise funds can be shown without risk of double-counting.

The budgets for the agencies in the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee are organized in the following categories:

- Operating and Capital Budgets
- Business-like Activities
- Transfers to Restricted Funds and Accounts
- Transfers to Free Revenue.

Detailed tables for each category are provided on pages 15-17.

Operating and Capital Budgets

| Natural Resources, Agriculture, & Environmental Quality | | | | | | |
|---|----------------------|-------------------------|---------------------|----------------------|-----------------------|-------------------------|
| Sources of Finance | FY 2012 Actual | FY 2013 Appropriated | Changes | FY 2013 Revised | Changes | FY 2014* Recommended |
| General Fund | 54,617,800 | 56,696,900 | 0 | 56,696,900 | 0 | 56,696,900 |
| General Fund, One-time | 1,746,700 | 998,800 | 0 | 998,800 | (998,800) | 0 |
| Federal Funds | 57,626,700 | 71,711,200 | (2,925,200) | 68,786,000 | 2,827,500 | 71,613,500 |
| American Recovery and Reinvestment Act | 15,969,400 | 525,000 | 3,963,800 | 4,488,800 | (4,288,800) | 200,000 |
| Dedicated Credits Revenue | 37,273,500 | 31,587,700 | 680,500 | 32,268,200 | (242,500) | 32,025,700 |
| Federal Mineral Lease | 3,280,400 | 3,044,500 | (144,500) | 2,900,000 | 0 | 2,900,000 |
| GFR - Boating | 4,755,300 | 4,795,400 | 0 | 4,795,400 | 0 | 4,795,400 |
| GFR - Cat & Dog Spay & Neuter | 80,000 | 80,000 | 0 | 80,000 | 0 | 80,000 |
| GFR - Constitutional Defense | 1,366,000 | 1,383,100 | 0 | 1,383,100 | 0 | 1,383,100 |
| GFR - Environmental Quality | 6,510,000 | 7,019,400 | 0 | 7,019,400 | (400,000) | 6,619,400 |
| GFR - Horse Racing | 20,000 | 20,000 | 0 | 20,000 | 0 | 20,000 |
| GFR - Invasive Species Mitigation | 0 | 1,000,000 | 0 | 1,000,000 | 0 | 1,000,000 |
| GFR - Land Exchange Distribution Account | 682,700 | 694,700 | (322,300) | 372,400 | 0 | 372,400 |
| GFR - Livestock Brand | 931,400 | 952,300 | 0 | 952,300 | 0 | 952,300 |
| GFR - Off-highway Vehicle | 4,531,600 | 5,930,100 | 0 | 5,930,100 | (388,700) | 5,541,400 |
| GFR - Oil & Gas Conservation Account | 3,614,600 | 3,809,000 | 0 | 3,809,000 | 60,000 | 3,869,000 |
| GFR - Petroleum Storage Tank | 50,000 | 50,000 | 0 | 50,000 | 0 | 50,000 |
| GFR - Rangeland Improvement | 1,428,700 | 1,346,300 | 0 | 1,346,300 | 145,000 | 1,491,300 |
| GFR - Off-highway Access & Education | 17,500 | 17,500 | 0 | 17,500 | 0 | 17,500 |
| GFR - Zion National Park Support Programs | 4,000 | 4,000 | 0 | 4,000 | 0 | 4,000 |
| GFR - Sovereign Lands Mgt | 6,847,900 | 8,346,200 | 0 | 8,346,200 | (1,030,000) | 7,316,200 |
| GFR - Species Protection | 650,100 | 606,200 | 0 | 606,200 | 0 | 606,200 |
| GFR - State Fish Hatch Maint | 1,205,000 | 1,205,000 | 0 | 1,205,000 | 0 | 1,205,000 |
| GFR - State Park Fees | 11,750,500 | 14,216,700 | 0 | 14,216,700 | (1,462,000) | 12,754,700 |
| GFR - Underground Wastewater System | 76,000 | 76,000 | 0 | 76,000 | 0 | 76,000 |
| GFR - Used Oil Administration | 901,700 | 749,200 | 0 | 749,200 | 0 | 749,200 |
| GFR - Voluntary Cleanup | 623,200 | 627,100 | 0 | 627,100 | 0 | 627,100 |
| WDSF - Drinking Water Loan Program | 142,200 | 140,500 | 0 | 140,500 | 0 | 140,500 |
| WDSF - Drinking Water Origination Fee | 199,300 | 202,300 | 0 | 202,300 | 0 | 202,300 |
| WDSF - Utah Wastewater Loan Program | 1,307,800 | 1,307,800 | 0 | 1,307,800 | 0 | 1,307,800 |
| WDSF - Water Quality Origination Fee | 75,600 | 92,500 | 0 | 92,500 | 0 | 92,500 |
| GFR - Wildlife Damage Prev | 379,000 | 656,800 | 0 | 656,800 | 0 | 656,800 |
| GFR - Wildlife Habitat | 2,900,000 | 2,900,000 | 0 | 2,900,000 | 0 | 2,900,000 |
| GFR - Wildlife Resources | 30,186,800 | 30,752,200 | 0 | 30,752,200 | 97,000 | 30,849,200 |
| GFR - Mule Deer Protection Account | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 |
| Petroleum Storage Tank Trust | 1,306,000 | 1,334,500 | 0 | 1,334,500 | 0 | 1,334,500 |
| Waste Tire Recycling Fund | 130,300 | 131,800 | 0 | 131,800 | 0 | 131,800 |
| Agri Resource Development | 561,200 | 565,700 | 0 | 565,700 | 0 | 565,700 |
| GFR - Predator Control | 0 | 600,000 | 0 | 600,000 | 0 | 600,000 |
| Clean Fuel Conversion Fund | 109,900 | 110,400 | 0 | 110,400 | 0 | 110,400 |
| Land Grant Management Fund | 17,919,700 | 18,172,600 | 0 | 18,172,600 | 0 | 18,172,600 |
| Land Grant Mgt Fund, One-time | 721,300 | 346,300 | 0 | 346,300 | 0 | 346,300 |
| Petroleum Storage Tank Loan | 162,700 | 165,200 | 0 | 165,200 | 0 | 165,200 |
| Utah Rural Rehab Loan State Fund | 122,700 | 0 | 122,700 | 122,700 | 0 | 122,700 |
| Water Resources C&D | 2,811,300 | 2,853,200 | 0 | 2,853,200 | 0 | 2,853,200 |
| Transfers | 8,475,400 | 9,799,000 | (138,100) | 9,660,900 | (3,009,800) | 6,651,100 |
| Transfers - Within Agency | 976,700 | 385,800 | 932,700 | 1,318,500 | (653,200) | 665,300 |
| Pass-through | 224,200 | 56,900 | 0 | 56,900 | 0 | 56,900 |
| Beginning Nonlapsing | 15,630,600 | 1,166,600 | 15,228,200 | 16,394,800 | (15,305,200) | 1,089,600 |
| Closing Nonlapsing | (16,394,800) | (1,252,600) | 163,000 | (1,089,600) | 309,600 | (780,000) |
| Lapsing Balance | (15,921,800) | (257,700) | 304,600 | 46,900 | (446,900) | (400,000) |
| Beginning Fund Balance | 18,349,000 | 0 | 0 | 0 | 0 | 0 |
| Ending Fund Balance | (21,221,000) | 0 | 0 | 0 | 0 | 0 |
| Total | \$265,714,800 | \$288,222,100 | \$17,865,400 | \$306,087,500 | (\$24,786,800) | \$281,300,700 |
| Agencies | | | | | | |
| Natural Resources | 158,392,500 | 183,143,400 | 9,977,400 | 193,120,800 | (14,797,400) | 178,323,400 |
| Environmental Quality | 47,320,300 | 52,179,000 | 798,400 | 52,977,400 | (3,585,900) | 49,391,500 |
| Public Lands Office | 1,587,600 | 2,711,600 | 0 | 2,711,600 | (678,000) | 2,033,600 |
| Office of Energy Development | 16,357,800 | 1,386,800 | 4,419,900 | 5,806,700 | (4,433,100) | 1,373,600 |
| Agriculture | 29,834,900 | 30,282,400 | 2,669,700 | 32,952,100 | (1,292,400) | 31,659,700 |
| School & Inst Trust Lands | 12,221,700 | 18,518,900 | 0 | 18,518,900 | 0 | 18,518,900 |
| Total | \$265,714,800 | \$288,222,100 | \$17,865,400 | \$306,087,500 | (\$24,786,800) | \$281,300,700 |
| Categories of Expenditure | | | | | | |
| Personnel Services | 138,788,300 | 146,760,670 | (585,907) | 146,174,763 | (899,092) | 145,275,671 |
| In-state Travel | 1,385,500 | 1,476,200 | 25,000 | 1,501,200 | (13,700) | 1,487,500 |
| Out-of-state Travel | 783,100 | 833,700 | 104,100 | 937,800 | (33,200) | 904,600 |
| Current Expense | 59,944,600 | 69,263,330 | 12,067,507 | 81,330,837 | (13,398,816) | 67,932,021 |
| DP Current Expense | 7,850,200 | 8,288,200 | (122,600) | 8,165,600 | (460,800) | 7,704,800 |
| DP Capital Outlay | 57,700 | 407,100 | (367,100) | 40,000 | 146,900 | 186,900 |
| Capital Outlay | 7,652,800 | 15,759,900 | (1,214,500) | 14,545,400 | (3,912,200) | 10,633,200 |
| Other Charges/Pass Thru | 49,133,900 | 45,033,000 | 7,809,600 | 52,842,600 | (5,690,592) | 47,152,008 |
| Cost Accounts | 118,700 | 0 | 149,300 | 149,300 | (125,300) | 24,000 |
| Transfers | 0 | 400,000 | 0 | 400,000 | (400,000) | 0 |
| Total | \$265,714,800 | \$288,222,100 | \$17,865,400 | \$306,087,500 | (\$24,786,800) | \$281,300,700 |
| Other Data | | | | | | |
| Budgeted FTE | 2,010 | 1,982 | (57) | 1,925 | (14) | 1,911 |
| Actual FTE | 1,955 | 0 | 0 | 0 | 0 | 0 |
| Vehicles | 960 | 957 | 6 | 963 | (4) | 959 |

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

Business-like Activities

| Natural Resources, Agriculture, & Environmental Quality - Business-like Activities | | | | | | |
|--|---------------------|-------------------------|--------------------|---------------------|--------------------|-------------------------|
| Sources of Finance | FY 2012 Actual | FY 2013 Appropriated | Changes | FY 2013 Revised | Changes | FY 2014* Recommended |
| Federal Funds | 17,816,400 | 19,159,000 | 0 | 19,159,000 | (1,400,000) | 17,759,000 |
| Dedicated Credits - Intragvt Rev | 511,000 | 616,600 | (56,600) | 560,000 | 11,000 | 571,000 |
| Agri Resource Development | 248,900 | 255,300 | 0 | 255,300 | 0 | 255,300 |
| Designated Sales Tax | 7,175,000 | 7,175,000 | 0 | 7,175,000 | 0 | 7,175,000 |
| Utah Rural Rehab Loan | 140,300 | 140,300 | 0 | 140,300 | 0 | 140,300 |
| Water Resources C&D | 3,800,000 | 3,800,000 | 0 | 3,800,000 | 0 | 3,800,000 |
| Repayments | 42,313,900 | 24,087,420 | 5,858,180 | 29,945,600 | 941,200 | 30,886,800 |
| Lapsing Balance | (14,500) | 0 | 0 | 0 | 0 | 0 |
| Total | \$71,991,000 | \$55,233,620 | \$5,801,580 | \$61,035,200 | (\$447,800) | \$60,587,400 |
| Line Items | | | | | | |
| Water Security Development Account - Water Polluti | 40,837,300 | 23,902,320 | 5,656,980 | 29,559,300 | (157,500) | 29,401,800 |
| Water Security Development Account - Drinking Wat | 26,468,000 | 26,519,100 | 201,200 | 26,720,300 | (301,300) | 26,419,000 |
| Agriculture Loan Programs | 374,700 | 395,600 | 0 | 395,600 | 0 | 395,600 |
| Water Resources Revolving Construction Fund | 3,800,000 | 3,800,000 | 0 | 3,800,000 | 0 | 3,800,000 |
| ISF - DNR Internal Service Fund | 511,000 | 616,600 | (56,600) | 560,000 | 11,000 | 571,000 |
| Total | \$71,991,000 | \$55,233,620 | \$5,801,580 | \$61,035,200 | (\$447,800) | \$60,587,400 |
| Categories of Expenditure | | | | | | |
| Personnel Services | 464,200 | 491,400 | (41,300) | 450,100 | 1,100 | 451,200 |
| In-state Travel | 3,400 | 1,500 | 1,900 | 3,400 | 0 | 3,400 |
| Out-of-state Travel | 2,300 | 1,200 | 1,100 | 2,300 | 0 | 2,300 |
| Current Expense | 435,100 | 519,900 | (38,800) | 481,100 | 8,600 | 489,700 |
| DP Current Expense | 11,500 | 12,500 | (1,100) | 11,400 | 100 | 11,500 |
| Other Charges/Pass Thru | 71,105,300 | 54,221,420 | 5,858,180 | 60,079,600 | (458,800) | 59,620,800 |
| Total | \$72,021,800 | \$55,247,920 | \$5,779,980 | \$61,027,900 | (\$449,000) | \$60,578,900 |
| Other Data | | | | | | |
| Budgeted FTE | 7 | 7 | 0 | 7 | 0 | 7 |
| Actual FTE | 7 | 0 | 0 | 0 | 0 | 0 |
| Retained Earnings | 10,500 | 36,800 | (19,000) | 17,800 | 8,600 | 26,400 |
| Vehicles | 1 | 1 | 0 | 1 | 0 | 1 |

Transfers to Restricted Funds and Accounts

| Natural Resources, Agriculture, & Environmental Quality - Restricted Account Transfers | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|----------------------|--------------------|
| Sources of Finance | FY 2012 | FY 2013 | Changes | FY 2013 | Changes | FY 2014* |
| | Actual | Appropriated | | Revised | | Recommended |
| General Fund | 1,346,300 | 3,096,300 | 0 | 3,096,300 | 0 | 3,096,300 |
| General Fund, One-time | 0 | 1,838,400 | 0 | 1,838,400 | (1,838,400) | 0 |
| GFR - Land Exchange Distribution Account | 2,049,600 | 3,022,200 | (482,200) | 2,540,000 | 0 | 2,540,000 |
| Total | \$3,395,900 | \$7,956,900 | (\$482,200) | \$7,474,700 | (\$1,838,400) | \$5,636,300 |
| Line Items | | | | | | |
| Rangeland Improvement Fund | 1,346,300 | 1,346,300 | 0 | 1,346,300 | 0 | 1,346,300 |
| GFR - Constitutional Defense Restricted | 2,049,600 | 4,860,600 | (482,200) | 4,378,400 | (1,838,400) | 2,540,000 |
| Invasive Species Mitigation Fund | 0 | 1,000,000 | 0 | 1,000,000 | 0 | 1,000,000 |
| GFR - Mule Deer Protection Account | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 |
| GFR - Agriculture and Wildlife Damage | 0 | 250,000 | 0 | 250,000 | 0 | 250,000 |
| Total | \$3,395,900 | \$7,956,900 | (\$482,200) | \$7,474,700 | (\$1,838,400) | \$5,636,300 |
| Categories of Expenditure | | | | | | |
| Transfers | 3,395,900 | 7,956,900 | (482,200) | 7,474,700 | (1,838,400) | 5,636,300 |
| Total | \$3,395,900 | \$7,956,900 | (\$482,200) | \$7,474,700 | (\$1,838,400) | \$5,636,300 |

Transfers to Free Revenue

| Natural Resources, Agriculture, & Environmental Quality - Transfers to Free Revenue | | | | | | |
|---|------------------|------------------|------------|------------------|------------|------------------|
| Sources of Finance | FY 2012 | FY 2013 | Changes | FY 2013 | Changes | FY 2014* |
| | Actual | Appropriated | | Revised | | Recommended |
| GFR - Species Protection | 207,000 | 207,000 | 0 | 207,000 | 0 | 207,000 |
| Total | \$207,000 | \$207,000 | \$0 | \$207,000 | \$0 | \$207,000 |
| Line Items | | | | | | |
| General Fund - NRAE | 207,000 | 207,000 | 0 | 207,000 | 0 | 207,000 |
| Total | \$207,000 | \$207,000 | \$0 | \$207,000 | \$0 | \$207,000 |
| Categories of Expenditure | | | | | | |
| Transfers | 207,000 | 207,000 | 0 | 207,000 | 0 | 207,000 |
| Total | \$207,000 | \$207,000 | \$0 | \$207,000 | \$0 | \$207,000 |

Glossary of Terms

Capital Outlay – Costs for furnishings, land, buildings, infrastructure, design services, and non-IT equipment over \$5,000 per unit.

Current Expense – Costs for non-IT supplies, materials, services, and equipment under \$5,000 per unit.

DP Current Expense (Data Processing Current Expense) – Costs to operate IT systems, such as Local Area Network (LAN) connections, for materials, supplies, and equipment under \$5,000 per unit.

DP Capital Outlay (Data Processing Capital) – Costs for IT equipment and software over \$5,000 per unit.

Dedicated Credits Revenue – Money paid to an agency by the public or by other agencies, such as fees, for services or goods. By law, these funds must be spent before other state funds are spent.

Education Fund (EF) – The revenues come from taxes on intangible property or from income tax.

Federal Funds – Money made available to the state through the federal government, and generally comes with specific requirements, such as a funding match or in-kind contributions.

Fiscal Note – The estimate by the Legislative Fiscal Analyst of the amount of revenue and/or expenditures resulting from the passage of a given bill.

Fiscal Year (FY) – An accounting period of 12 months at the end of which the organization ascertains its financial conditions. The state fiscal year (FY) runs from July 1 through June 30. The federal fiscal year (FFY) is from October 1 through September 30.

Fee – A fixed charge for a good or service, usually recorded as Dedicated Credit revenue.

Full Time Equivalent (FTE) – It is a method of standardizing the personnel count, and it is calculated by dividing the total hours worked by 2080 (the total work hours in a year for a person, excluding weekends and holidays).

General Fund (GF) – The primary source of this revenue is the sales tax, although there are several other taxes and fees that contribute to the General Fund.

Intent Language – A statement added to appropriations bills to explain or put conditions on the use of line item appropriations. The intent language expires at the end of the fiscal year and cannot replace or supersede current statutes.

Lapsing Funds – Unspent money at the end of the fiscal year reverts/lapses back to the account of origin.

Line Item – Each appropriated amount has an item number in an appropriations bill. A line item appropriation may have several programs. Once the appropriation becomes law, an agency may move funds from program to program within the line item, but not from one line item to another.

Nonlapsing Funds – The Legislature can authorize an agency, via statute or intent language, to keep unused funds at the end of a fiscal year. Otherwise, unspent funds return/lapse to their account of origin.

Other Charges/Pass-through – Distribution of funds to other levels of government, payments to grant recipients, cash assistance to citizens, etc.

Personnel Services – Costs associated with personnel, including salary and benefits.

Restricted Funds – The revenues for the restricted funds usually come from specific sources, such as fees or taxes, with statutory restrictions to be used for specific purposes. Examples include GFR-State Park Fees, GFR-Wildlife Resources, and Waste Tire Recycling Fund.

Retained Earnings – The accumulated earnings of an Internal Service Fund (ISF) still in the fund and not reserved for any specific purpose.

Travel, In-state or Out-of-state – Costs for travel, including airline tickets, rental cars, hotels, meals, etc.