



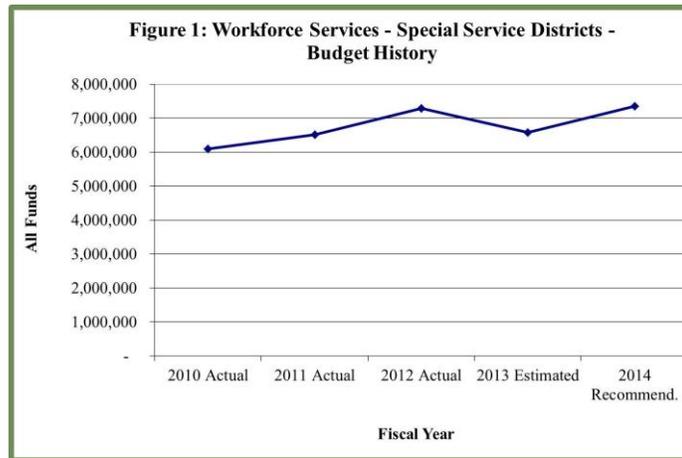
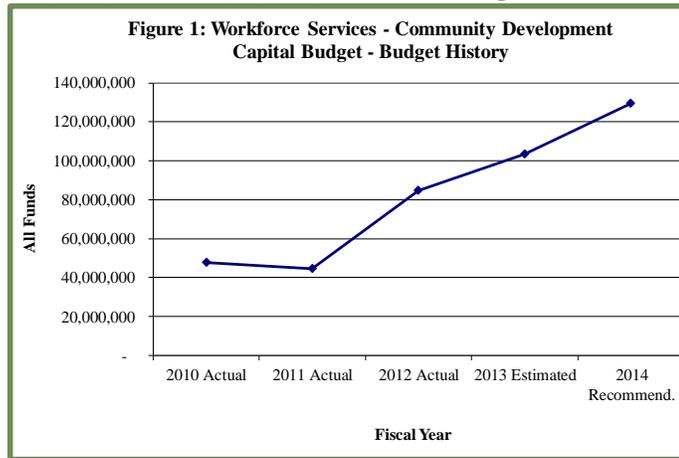
# COMMUNITY DEVELOPMENT CAPITAL BUDGET AND SPECIAL SERVICE DISTRICTS

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE  
STAFF: RUSSELL FRANDBEN

BUDGET BRIEF

**SUMMARY**

The Analyst’s base budget recommendation is \$129,546,000 for Community Development Capital Budget and \$7,350,000 for Special Service Districts in FY 2014. This recommendation is \$25,986,000 and \$774,100 higher respectively than the base budget. This brief highlights some issues in Community Development Capital Budget and Special Service Districts as well as some uses of the funding provided. The Subcommittee annually reviews each base budget to propose any changes and to vote to approve it. The Analyst recommends that the Subcommittee approve the \$129,546,000 and \$7,350,000 base budgets.



**LEGISLATIVE ACTION**

- The Analyst recommends that the Social Services Appropriations Subcommittee approve base budgets for FY 2014 for \$129,546,000 for Community Development Capital Budget and \$7,350,000 for Special Service Districts with funding as listed in the Budget Detail Table.

**OVERVIEW**

The Community Development Capital budget provides grants and/or loans to subdivisions of the State which are impacted directly or indirectly by mineral resource development on federal lands. The Permanent Community Impact Fund receives 32.5 percent of the mineral lease payments from the federal government. This funding is prioritized by the Community Impact Board which is administered in the Housing and Community Development

line item. Additionally, a portion of the federal mineral lease revenue flows directly to special service districts through the mineral lease distribution formula.

***Federal Mineral Lease Allocations***

Federal royalty revenue is generated when minerals are produced on federal lands. The producing companies pay the federal government a royalty based on taxable value of the extraction. Taxable value is generally based on production levels and price of the minerals. Both production and price have increased above historic levels for oil and gas. This has led to a corresponding increase in mineral lease revenues over the past several years.

Other sources of mineral lease revenue include bonuses, rents and other royalties. Rents are annual payment of leases not currently under production. Bonuses are payments made to obtain rights to mineral lease opportunities. Other royalties include audit assessments and mineral lease payments on minor products such as sand, gravel and sulfur.

**ACCOUNTABILITY DETAIL**

The primary mission of the Permanent Community Impacts Fund is to mitigate socio-economic impacts resulting from natural resource development of federal lands. To this end the division measures the number of eligible applications getting funded, funds leveraged and citizens served.

| Project Type           | Projects  | Total Funding         | Community Impact Board Funding |                      | % Total from CIB |
|------------------------|-----------|-----------------------|--------------------------------|----------------------|------------------|
|                        |           |                       | Grant Amount                   | Loan Amount          |                  |
| Transportation         | 19        | \$ 70,612,300         | \$ 26,077,200                  | \$ 31,179,000        | 81%              |
| Water Projects         | 23        | \$ 48,260,200         | \$ 10,650,700                  | \$ 29,551,000        | 83%              |
| Sewer Projects         | 8         | \$ 23,519,900         | \$ 10,700,400                  | \$ 11,508,000        | 94%              |
| Health & Public Safety | 12        | \$ 10,017,800         | \$ 1,237,500                   | \$ 5,374,000         | 66%              |
| General Buildings      | 12        | \$ 9,440,900          | \$ 3,465,400                   | \$ 3,701,000         | 76%              |
| Combined Projects      | 5         | \$ 5,683,000          | \$ 2,199,000                   | \$ 1,735,000         | 69%              |
| Recreation Projects    | 5         | \$ 3,480,200          | \$ 316,500                     | \$ 2,500,000         | 81%              |
| Design/Plan/Study      | 13        | \$ 2,805,300          | \$ 1,825,500                   | \$ -                 | 65%              |
| Equipment Purchase     | 1         | \$ 52,000             | \$ -                           | \$ 45,000            | 87%              |
| Irrigation             | 0         | \$ -                  | \$ -                           | \$ -                 | 0%               |
| Communications         | 0         | \$ -                  | \$ -                           | \$ -                 | 0%               |
| <b>Total</b>           | <b>98</b> | <b>\$ 173,871,600</b> | <b>\$ 56,472,200</b>           | <b>\$ 85,593,000</b> | <b>82%</b>       |

| <b>Total State Mineral Lease Revenue and Community Impact Board (CIB) Allocations by County for FY 2012</b> |                       |                   |                       |                   |
|---|-----------------------|-------------------|-----------------------|-------------------|
| <b>County</b>   | <b>State Revenue</b>  | <b>% of Total</b> | <b>CIB Allocation</b> | <b>% of Total</b> |
| Beaver  | \$ 286,700            | 0.2%              | \$ 800,000            | 0.6%              |
| Box Elder   | \$ (5,300)            | 0.0%              | \$ -                  | 0.0%              |
| Cache   | \$ -                  | 0.0%              | \$ 62,300             | 0.0%              |
| Carbon  | \$ 42,309,500         | 22.6%             | \$ 25,914,600         | 18.2%             |
| Daggett   | \$ 140,900            | 0.1%              | \$ 735,800            | 0.5%              |
| Davis   | \$ 2,700              | 0.0%              | \$ -                  | 0.0%              |
| Duchesne  | \$ 21,168,400         | 11.3%             | \$ 18,340,800         | 12.9%             |
| Emery   | \$ 6,586,100          | 3.5%              | \$ 3,590,500          | 2.5%              |
| Garfield  | \$ 778,300            | 0.4%              | \$ 1,437,000          | 1.0%              |
| Grand   | \$ 1,489,200          | 0.8%              | \$ 323,000            | 0.2%              |
| Iron  | \$ 237,300            | 0.1%              | \$ 3,235,500          | 2.3%              |
| Juab  | \$ 434,800            | 0.2%              | \$ 611,000            | 0.4%              |
| Kane  | \$ (4,600)            | 0.0%              | \$ 12,395,400         | 8.7%              |
| Millard   | \$ 10,662,000         | 5.7%              | \$ 867,000            | 0.6%              |
| Morgan  | \$ 200                | 0.0%              | \$ 300,000            | 0.2%              |
| Piute   | \$ 13,500             | 0.0%              | \$ 560,000            | 0.4%              |
| Rich  | \$ 29,600             | 0.0%              | \$ 9,000              | 0.0%              |
| Salt Lake   | \$ 900                | 0.0%              | \$ -                  | 0.0%              |
| San Juan  | \$ 3,656,500          | 2.0%              | \$ 7,699,500          | 5.4%              |
| Sanpete   | \$ 158,400            | 0.1%              | \$ 6,797,800          | 4.8%              |
| Sevier  | \$ 18,421,800         | 9.8%              | \$ 18,452,000         | 13.0%             |
| Summit  | \$ (180,900)          | -0.1%             | \$ -                  | 0.0%              |
| Tooele  | \$ 170,000            | 0.1%              | \$ 2,500,000          | 1.8%              |
| Uintah  | \$ 81,014,000         | 43.2%             | \$ 27,249,000         | 19.2%             |
| Utah  | \$ 90,700             | 0.0%              | \$ -                  | 0.0%              |
| Wasatch   | \$ -                  | 0.0%              | \$ 540,000            | 0.4%              |
| Washington  | \$ 23,600             | 0.0%              | \$ 6,778,000          | 4.8%              |
| Wayne   | \$ (3,500)            | 0.0%              | \$ 2,180,000          | 1.5%              |
| Weber   | \$ -                  | 0.0%              | \$ -                  | 0.0%              |
| Unallocated   | \$ 100                | 0.0%              | \$ -                  | 0.0%              |
| Regional*   | \$ -                  | 0.0%              | \$ 687,000            | 0.5%              |
| <b>Total</b>  | <b>\$ 187,480,900</b> | <b>100%</b>       | <b>\$ 142,065,200</b> | <b>100%</b>       |

\*The "Regional" classification includes Association of Governments, Higher Education Projects and Regional Projects.

COMMUNITY DEVELOPMENT CAPITAL BUDGET AND SPECIAL SERVICE DISTRICTS

**BUDGET DETAIL TABLES**

Funding for the Special Service Districts is from federal mineral lease revenue. The total funding amount is determined by a statutory formula established in UCA 59-21.

| <b>Workforce Services - Community Development Capital Budget</b> |                           |                                 |                   |                            |                     |                                 |
|--|---------------------------|---------------------------------|-------------------|----------------------------|---------------------|---------------------------------|
| <b>Sources of Finance</b>  | <b>FY 2012<br/>Actual</b> | <b>FY 2013<br/>Appropriated</b> | <b>Changes</b>    | <b>FY 2013<br/>Revised</b> | <b>Changes</b>      | <b>FY 2014*<br/>Recommended</b> |
| GFR - Land Exchange Distribution Account                         | 305,200                   | 551,500                         | (551,500)         | 0                          | 420,000             | 420,000                         |
| Permanent Community Impact                                       | 84,430,900                | 69,100,000                      | 34,460,000        | 103,560,000                | 25,566,000          | 129,126,000                     |
| Repayments   | 0                         | 34,000,000                      | (34,000,000)      | 0                          | 0                   | 0                               |
| <b>Total</b>   | <b>\$84,736,100</b>       | <b>\$103,651,500</b>            | <b>(\$91,500)</b> | <b>\$103,560,000</b>       | <b>\$25,986,000</b> | <b>\$129,546,000</b>            |
| <b>Programs</b>  |                           |                                 |                   |                            |                     |                                 |
| Community Impact Board   | 84,736,100                | 103,651,500                     | (91,500)          | 103,560,000                | 25,986,000          | 129,546,000                     |
| <b>Total</b>   | <b>\$84,736,100</b>       | <b>\$103,651,500</b>            | <b>(\$91,500)</b> | <b>\$103,560,000</b>       | <b>\$25,986,000</b> | <b>\$129,546,000</b>            |
| <b>Categories of Expenditure</b>                                 |                           |                                 |                   |                            |                     |                                 |
| Transfers  | 84,736,100                | 103,651,500                     | (91,500)          | 103,560,000                | 25,986,000          | 129,546,000                     |
| <b>Total</b>   | <b>\$84,736,100</b>       | <b>\$103,651,500</b>            | <b>(\$91,500)</b> | <b>\$103,560,000</b>       | <b>\$25,986,000</b> | <b>\$129,546,000</b>            |

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

| <b>Workforce Services - Special Service Districts</b> |                           |                                 |                |                            |                  |                                 |
|---|---------------------------|---------------------------------|----------------|----------------------------|------------------|---------------------------------|
| <b>Sources of Finance</b>                             | <b>FY 2012<br/>Actual</b> | <b>FY 2013<br/>Appropriated</b> | <b>Changes</b> | <b>FY 2013<br/>Revised</b> | <b>Changes</b>   | <b>FY 2014*<br/>Recommended</b> |
| Federal Mineral Lease                                 | 7,279,500                 | 6,575,900                       | 0              | 6,575,900                  | 774,100          | 7,350,000                       |
| <b>Total</b>  | <b>\$7,279,500</b>        | <b>\$6,575,900</b>              | <b>\$0</b>     | <b>\$6,575,900</b>         | <b>\$774,100</b> | <b>\$7,350,000</b>              |
| <b>Programs</b>                                       |                           |                                 |                |                            |                  |                                 |
| Special Service Districts                             | 7,279,500                 | 6,575,900                       | 0              | 6,575,900                  | 774,100          | 7,350,000                       |
| <b>Total</b>  | <b>\$7,279,500</b>        | <b>\$6,575,900</b>              | <b>\$0</b>     | <b>\$6,575,900</b>         | <b>\$774,100</b> | <b>\$7,350,000</b>              |
| <b>Categories of Expenditure</b>                      |                           |                                 |                |                            |                  |                                 |
| Other Charges/Pass Thru                               | 7,279,500                 | 6,575,900                       | 0              | 6,575,900                  | 774,100          | 7,350,000                       |
| <b>Total</b>  | <b>\$7,279,500</b>        | <b>\$6,575,900</b>              | <b>\$0</b>     | <b>\$6,575,900</b>         | <b>\$774,100</b> | <b>\$7,350,000</b>              |

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