

(Draft - Awaiting Formal Approval)
**MINUTES OF THE
NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENTAL QUALITY
APPROPRIATIONS SUBCOMMITTEE**

Wednesday, September 30, 2015
This Is The Place Heritage Park
Smoot Hall
Salt Lake City, Utah

Members Present: Sen. David P. Hinkins, Chair
Rep. Mike McKell, Chair
Rep. Kay J. Christofferson, House Vice Chair
Sen. Margaret Dayton
Sen. Scott K. Jenkins
Sen. Peter C. Knudson
Sen. Ralph Okerlund
Rep. Scott Chew
Rep. Susan Duckworth
Rep. Brian M. Greene
Rep. Stephen G. Handy
Rep. Timothy Hawkes
Rep. Justin Miller
Rep. Michael E. Noel
Rep. Lee B. Perry

Members Absent: Sen. Jim Dabakis
Sen. Kevin T. Van Tassell
Rep. Ken Ivory
Rep. Marc K. Roberts

Staff: Mr. Ivan D. Djambov, Fiscal Analyst
Mr. Brian Wikle, Fiscal Analyst
Ms. Linda Service, Committee Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

A tour of the Hogle Zoo was held at 8:00 a.m., along with a tour of This is the Place Heritage Park at 10:00 a.m.

Public meeting at Smoot Hall, This Is The Place Heritage Park

Vice Chair Christofferson called the meeting to order at 1:00 p.m.

1. Approval of Minutes

Chair Hinkins moved to approve the minutes of the July 14, 2015 meeting. The motion passed unanimously.

2. Evaluation of Statutorily Required Fees and Reports

Mr. Brian Wikle, Fiscal Analyst, reported on the Issue Brief, "NRAEQ Statutorily Required Fees and Reports." The legislative leadership directed appropriations subcommittees to review statutorily required reports and fees during the 2015 interim and to recommend whether each such report and fee

should be removed from statute. After considering the advantages and disadvantages of removing a report and fee from statute, Mr. Wikle recommended that the requirement for the Great Salt Lake Advisory Council to report annually to NRAEQ be eliminated due to the subcommittee's limited time to address issues.

3. Utilization of Prior Year Funding Increases

Mr. Wikle presented the Issue Brief, "Fiscal Note and Budget Item Follow-Up Report," from the Executive Appropriations Committee. It is intended to create a feed-back loop that improves future estimates and initiatives. The report follows-up on select fiscal notes and budget actions from past legislative sessions.

4. Review of Programs' Funding and Statutory Authorization

The Office of the Legislative Fiscal Analyst has compiled information from agencies under the purview of the Natural Resources, Agriculture, and Environmental Quality (NRAEQ) Appropriations Subcommittee and created an interactive web tool where data can be viewed and filtered. Mr. Wikle presented an in depth explanation of the information available and how it can be accessed by legislators at:
<http://public.tableau.com/profile/ivan8177#!/vizhome/StatutoryReferencesonProgramLevelALLAgenciesNRAEQ/Story1>.

5. Utah Geological Survey (UGS), Funding Shortfall

Mr. Ivan Djambov, Fiscal Analyst, introduced the Issue Brief, "Utah Geological Survey, Funding Shortage." One of the funding sources for USG, Federal Mineral Lease, has been a challenge over the past few years which has resulted in a budget shortfall.

Mr. Rick Allis, Director, UGS, and Ms. Jodi Patterson, Financial Manager, distributed the handout, "UGS Funding Issues - Key Points," and presented background information on UGS funding over the past ten years. In addition to elaborating on key points, Mr. Allis briefed the committee on UGS funding sources and trends, how Mineral Lease funding is used, their actions to reduce expenses in response to revenue shortfall, and projections for FY16 and FY17.

Mr. Marc Eckels, UGS Board, commented on the impact the decrease in revenue has had in the Uintah Basin, including office layoffs and decline in the number of operating rigs.

Mr. Kevin Carter, Director, School and Institutional Trust Lands Administration (SITLA), responded to a question regarding funding sources and distributions of the Land Exchange Distribution Account (LEDA).

With the assistance of Ms. Patterson, Mr. Allis discussed impacts to UGS if no additional funding is available - one or two additional layoffs, along with the seven layoffs already occurring, one resignation, eight retirements, and one contractor terminated.

6. GIP and Watershed: Similarities and Differences

Mr. Djambov distributed the Issue Brief, "GIP and Watershed: Similarities and Differences," giving

committee members updated information about the Grazing Improvement Program (GIP) and the Watershed Restoration Program. GIP is managed by the Utah Department of Agriculture and Food and its mission is to improve the productivity, health and sustainability of our rangelands and watersheds. The Watershed Restoration Initiative (WRI) program, housed in the Department of Natural Resources, has the mission to conserve, restore, and manage ecosystems in priority areas across the state to enhance Utah's wildlife and biological diversity, water quality and yield for all uses, and opportunities for sustainable uses.

Mr. Djambov focused on similarities and differences between the two programs, flow of funds, funding spent by program by year, and level of collaboration.

Mr. Troy Forrest, Program Manager, GIP, and Mr. Alan Clark, Director, WRI, each commented on the type of projects his individual program is involved with. Director Clark distributed "Utah Watershed Restoration Initiative Completed Projects (2005 - 2014)." A discussion followed.

7. Conservation Commission Update

Mr. Djambov reviewed the Issue Brief, "Conservation Commission, Update." The Commissioner of Agriculture is required by S.B. 202, "Conservation Commission Employees," from the 2015 General Session, to report to this subcommittee no later than the November 2015 interim meeting regarding the organizational structure of the employees of Utah Association of Conservation Districts (UACD). It was decided in a two-day workshop organized by the Department of Agriculture and Food to no longer contract for conservation efforts through UACD but to hire the UACD staff and use the department's Conservation Commission to manage them. However, the legislation did not require that the department hire all or any of the UACD employees.

Mr. Scott Ericson, Deputy Director of Conservation, Utah Department of Agriculture, noted that employees from UACD are now transitioning to the Utah Conservation Commission. For the most part the transition has gone well. In a slide presentation, Mr. Ericson noted that there is a need for ongoing dollars, to know what conservation looks like, and to have great plans written by great planners. As an example, he highlighted the Wallsberg project. He stated that the monies spent on head water projects saves millions of dollars for down stream drinking water.

Vice Chair Christofferson, asked the question: "Why would the Legislature have to appropriate more money (about twice as much) to hire the same employees to do the same work?" Mr. Ericson reported that:

- (1) The funding for three district managers hired by the department (\$250,000-\$300,000) was taken from the amount that was given to UACD.
- (2) Over the last number of years, UACD has been putting upwards of \$300,000 to \$400,000 every year to employees' salaries from the UACD reserves.
- (3) State benefits cost more than the UACD benefits. In addition, the department purchased seven new vehicles to try to reduce the new employees' overall travel expenses.

8. Invasive Species Fund: Projects, Performance Measures, and Results

Mr. Djambov briefly commented on the Issue Brief, "Invasive Species Mitigation Fund," to provide background information. The Utah Department of Agriculture and Food created the Invasive Species

Mitigation program to use the Fund for projects that rehabilitate or treat areas infested with or threatened by invasive plant species.

Mr. Robert Hougaard, Director, Plant Industry and Conservation, Utah Department of Agriculture and Food, discussed a video presentation, "Invasive Species Mitigation Fund." The video focused on invasive species such as Phragmites, Squarrose Knapweed, and Russian Olive pointing to the work involved, acres treated, and successes attained. The Utah Noxious Weed Act requires counties to have a noxious weed program. A discussion followed.

9. Other Business: Status of Sage Grouse Listing

Mr. Mike Styler, Executive Director, Department of Natural Resources, reported that in a recent decision announced by the Secretary of the Interior, Sage Grouse would not be listed as an endangered species. However, heightened, restrictive uses are being proposed for BLM and Forest Service lands.

Mr. John Harja, Senior Policy Analyst, Public Lands Policy Coordinating Office, presented background information on the ongoing activity occurring to prevent Sage Grouse from being listed and briefed the committee on the current status of their efforts.

MOTION: Rep. McKell moved to adjourn. The motion passed unanimously.

Vice Chair Christofferson adjourned the meeting at 4:00 p.m.