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.

**Agencies Budgets Over Time**

The overall funding for this subcommittee has increased by $81 million (22%) since FY 2015. The figure below presents a six-year funding history of the agencies in the Natural Resources, Agriculture, Environmental Quality Appropriations Subcommittee.

All six of the agencies in NRAEQ have increased their overall budgets between FY 2015 and FY 2020 Base as follows:

- Public Lands Office by $1.7 or 69%,
- DNR by $50.7 million or 25%, and
- Agriculture by $8.9 million or 26%.
- SITLA by $6.9 million or 66%,
- DEQ by $11.6 million or 9%, and
- Energy Development by $0.7 million or 34%.
Major Funding Sources for the Subcommittee

The figure titled “Subcommittee Funding Mix” below presents the major funding sources for the agencies in this subcommittee. The largest funding category for the period FY 2015 – FY 2020 Base is restricted funds, comprising one third of the total. Federal Funds, Dedicated Credits, and General Fund appropriations have all fluctuated in magnitude over the course of the period. The average General Fund appropriations for this period comprised 21% of the total budget with a range from 18% to 26% depending on the year (refer to the Glossary of Terms at the end of this brief for definitions of the different funding types).

![Subcommittee Funding Mix](image)

The following funding categories have increased:

- General Fund by $10.1 million or 14%,
- Restricted Funds by $0.39 million or 0.28%, and
- Federal Fund by $26.7 million or 32%.

The Dedicated Credits for the agencies in this subcommittee have decreased by $5.1 million (6%) for that period.

The Other category includes transfers, lapsing and nonlapsing balances, etc.
Restricted Funds

In FY 2020 Base, the largest category in the subcommittee’s funding mix is restricted funds, comprising 31% of the total budget. These revenues are generated from approximately 60 different restricted accounts (for details, please refer to COBI: https://le.utah.gov/lfa/cobi/cobi.html?cobiID=7&tab=financialsTab&year=2019).

The revenues in these accounts are generated primarily from fees, which are approved by the Legislature on an annual basis through the regular budget process. The usage of these funds is prescribed in statute, and the money must 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 2015 and FY 2020 Base by $0.54 million or 0.4%. In many instances, restricted funds are used to fill the gap from General Fund reductions in the past.
Federal Funds

The second largest funding source in FY 2020 Base for the subcommittee is Federal Funds. 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 by the agencies in the subcommittee has increased between FY 2015 and FY 2020 Base by $26.7 million or 32%. The federal fund budgets in the last six years are presented in the following figure. This type of funding comprises 24% of the total subcommittee funding mix in FY 2020 Base.

Considering the likelihood of future 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. UCA 63J-1-219 requires state agencies to report annually their plans to the Legislature.
General Fund

The General Fund appropriations to the agencies in this subcommittee between FY 2015 and FY 2020 Base have remained fairly constant aside from Natural Resources and the Public Lands Office (see figure below). This type of funding comprises 18% of the total subcommittee funding mix in FY 2020 Base.

The agency with the largest absolute General Fund increase since FY 2015 is Natural Resources, $5.2 million (14%). The agency with the largest percentage General Fund increase since FY 2015 is Public Lands Office, $1.8 million (214%).
**Dedicated Credits**

Dedicated Credit revenues are generated mainly from fees for service provided by the agencies. This type of funding comprises 17% of the total subcommittee funding mix in FY 2020 Base, and it has decreased by $5 million or 6% since FY 2015 (see figure below).

The agency with the largest absolute increase in this funding category is the Department of Natural Resources, $0.7 million or 4%. The agency with the largest percentage increase in this funding category is the Governor’s Office of Energy Development, $0.7 million or 4%. followed by the Department Natural Resources, $0.2 million or 1050%. Both the Department of Agriculture and the Department of Environmental Quality saw decreases in Dedicated Credits.
Agencies Expenditures

The figure below summarizes the grouped data on the subcommittee expenditures over the period between FY 2015 and FY 2020 Base.

Full Time Equivalent

The total number of full time equivalent (FTE) for the subcommittee between FY 2015 and FY 2020 Base has increased by 3% (see table below).

<table>
<thead>
<tr>
<th>Agency Name</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
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<td>Office of Energy Development</td>
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<td>15</td>
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<tr>
<td>Public Lands Office</td>
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<td>16</td>
<td>16</td>
</tr>
<tr>
<td>School and Inst Trust Lands</td>
<td>72</td>
<td>69</td>
<td>67</td>
<td>66</td>
</tr>
<tr>
<td><strong>Subcommittee Total</strong></td>
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<td><strong>2005</strong></td>
<td><strong>2007</strong></td>
<td><strong>2045</strong></td>
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</table>
Glossary of Terms

**Administrative Rules** - The detailed procedures established by state agencies to implement statute and programs.

**Allocation** - The division of an appropriation into parts, and the designation of each part for expenditure by specific units or for specific purposes.

**American Recovery and Reinvestment Act (ARRA)** – The federal stimulus program providing money to states for education, jobs creation, infrastructure, weatherization, and other areas to help move the country out of the economic crisis of 2008.

**Appropriation** - A legislative authorization to make expenditures and incur obligations.

**Bill** - A proposed law or statute presented to the Legislature for their consideration.

**Bill of Bills (Appropriations Adjustments)** - A bill which contains funding for legislation that has fiscal impact and funding for other legislative action. It covers two fiscal years: the current fiscal year and the next.

**Bond** - A certificate of indebtedness issued by a government entity as evidence of money borrowed. It is a written promise to pay a specified sum at a specified date or dates together with specific periodic interest at a specified rate. The primary bonds used by the State are General Obligation Bonds, Lease Revenue Bonds, and Revenue Bonds.

**Budget** - An itemized summary of estimated or intended expenditures for a fiscal year along with estimated revenues.

**Building Blocks** - Funding increases or decreases to existing programs.

**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.

**Expenditures** - Expense categories for personnel, goods, and services needed by state programs. These include: personnel services, travel, current expense, DP current expense, DP capital, capital outlay, pass-through, and other.

**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.

**Indirect Charges** - Also called Overhead Shared Expenses, which cannot be exactly identified to a specific product or service that are often allocated rather than computed.

**Initiative** - A procedure by which citizens can propose a law and ensure its submission to the electorate.

**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.

**Interim** - The period between regular sessions of the Legislature.

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

**Legislative Oversight** - The responsibility of the Legislature to review operations of executive and judicial agencies.

**Legislative Rule** - The precise method or procedure of action to govern as determined by each house or both houses.

**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.

**One-time vs. Ongoing Funding** - Both revenue and expenditures may be one-time (short, distinct period of time) or ongoing (lasting from year to year).

**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.

**Statute** - A written law enacted by a duly organized and constituted legislative body and approved by the Governor.

**Supplemental Appropriation** - The adjustment of funds allocated over/under the original appropriation. Generally, an increase in current year appropriations above the original legislative appropriation.

**Transportation Fund** - Funding primarily from the gasoline tax. The Constitution restricts this revenue to road and highway-related issues.

**Travel, In-state and Out-of-state** - An expenditure category which includes funding for program travel and supportive services, e.g. airline tickets, rental cars, hotels, meals, etc.

**Uniform School Fund (USF)** – A source of revenue for purposes of public education. The Uniform School Fund is a special revenue fund within the Education Fund.

**Veto** - An official action of the Governor to nullify legislative action. The Legislature may override the action by a constitutional two-thirds vote of each house if still in session or if called back into a veto override session.