



UTAH STATE LEGISLATURE
FISCAL ANALYST

ACCOUNTABLE BUDGET PROCESS

DEPARTMENT OF NATURAL RESOURCES

Division of Outdoor Recreation

Division of State Parks

Public Lands Policy Coordinating Office

SCHOOL AND INSTITUTIONAL TRUST LANDS

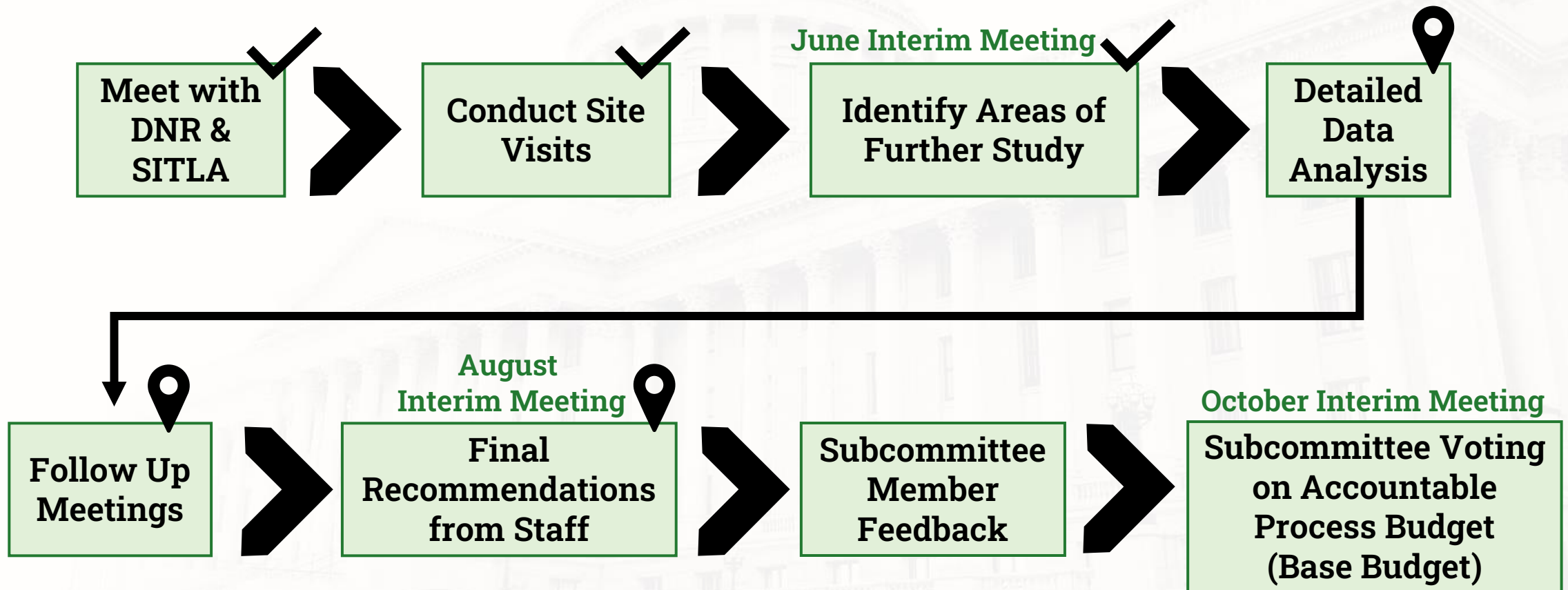
ADMINISTRATION

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AUGUST 2024

ACCOUNTABLE BUDGET PROCESS

2024 Interim Schedule





RECOMMENDATIONS FOR CONSIDERATION

PUBLIC LANDS POLICY COORDINATING OFFICE

RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>Current performance measures for PLPCO attempt to capture external customer service and timeliness. However, one of the metrics has not been reported consistently, which indicates it is not a measure the office is using to gauge its success.. In 2009, the Legislative Auditor General released 'A Performance Audit of the Public Lands Policy Coordinating Office' which recommended that the Office improve performance measures and that the office base measures on a strategic plan. The 2024 Strategic Plan for the Department of Natural Resources includes goals for the Public Lands Policy Coordinating Office which could offer potential metrics that relate to the Office's mission.</p>	<p>The Office should work with the Governor's Office and the Legislature to improve line item performance measures based on the 2024 strategic plan that demonstrate the Office's value to the state and provide accountability.</p>
<p>Prior to FY 2022, the Public Lands Policy Coordinating Office was a part of the Governor's Office. Neither the Department of Natural Resources nor the Governor's Office was able to produce an internal audit report that involved PLPCO. UCA 63I-5-201, which describes internal audit programs for state agencies, requires DNR to "conduct various types of auditing procedures as determined by the agency head or governor."</p>	<p>Include PLPCO in the regularly occurring internal audits conducted by the Department of Natural Resources.</p>

PUBLIC LANDS POLICY COORDINATING OFFICE

RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>Until FY 2023, the Office has employed a Finance Manager at .75 FTE. PLPCO has been employing assistance from the Department of Natural Resources Finance manager since that position has been vacant. In addition to the Department finance manager already having full-time responsibilities, PLPCO's budget shows room for improvement in the areas of performance measurement and reporting. The office also has lapsed between \$131,700-\$982,400 from FY 2019-2023, which indicates they have room in their budget to hire this essential position. A finance manager who is separate from the Office's operations and contract negotiations also plays an important role in budget controls.</p>	<p>The Office should reallocate funding within the existing operating and capital budget to hire a full-time finance manager.</p>
<p>The Office's entire budget is contained in a line item without further refinements of expenditure. This makes it difficult to understand how the office has expended funds for ongoing projects over time and to what extent funding supports the office directly.</p>	<p>To increase transparency and improve reporting, the Legislature should create appropriation units in the PLPCO line item that reflect the programs and pass-through funding administered.</p>

PUBLIC LANDS POLICY COORDINATING OFFICE

RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>UCA 63L-11-201 Describes the executive director who reports to the Governor. It is confusing at best and problematic at worst to have two executive directors in the same department, both of which report to the Governor. Lack of clear organizational structure leads to inefficiencies, turnover, and provides questions about who sets the direction for the office or who has authority to enforce policies and procedures.</p>	<p>The Legislature should open a bill file which clarifies that the director of the Public Lands Policy Office reports to the executive director of the Department of Natural Resources.</p> <p>Note: requires statute change/bill file to be opened.</p>

SCHOOL & INSTITUTIONAL TRUST LANDS

ADMINISTRATION

RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>The Surface business group is split between two appropriation units for staff and a separate line item for projects. This program would be better accounted for in a single appropriation unit for the staff within the operations line item.</p> <p>The GIS section does not have its own unit, yet it's larger than five other programs which are uniquely accounted for. The GIS program also provides a large role in making SITLA's information public.</p>	<p>The Legislature should create the following appropriation unit within the operations line item: GIS. The Legislature should combine the following appropriation units: Director + Board, Grazing and Forestry + Surface.</p>
<p>UCA 53C-1-201(3)(f)(i)-(ii) detail that SITLA is not subject to the requirements of the budgetary procedures act governing fees, except for the 13 fees listed in that section. However, the statute does not indicate which programs these generalized fee titles apply to (i.e. energy and minerals versus surface, etc.) Currently in Fee Prep, all fees are assigned to a single appropriation unit (Administration) instead of where the revenues are generated from (i.e., Surface, Energy and Minerals, etc.) The data entered in fee prep also does not include information about how each fee is calculated.</p>	<p>For clarity and consistency, the Legislature should standardize that SITLA's fee schedule is either fully subject to or fully exempt from the budgetary procedures act.</p> <p>Note: requires statute change/bill file to be opened.</p>

SCHOOL & INSTITUTIONAL TRUST LANDS ADMINISTRATION RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>The School and Institutional Trust Lands Administration is the revenue generating arms of the larger system to raise funds for the state's beneficiaries. The complete group includes the School and Institutional Trust Fund Office (SITFO), the Land Trusts Protection and Advocacy Office, and the School Learning and Nurturing Development Trust Program (LAND). These four different entities report to three different subcommittees (Natural Resources, Agriculture, and Environmental Quality, Public Education, and Executive Office and Criminal Justice.) To provide consistent direction and understand the full picture of revenue generation and distribution the Legislature should consider having these three entities report to a single appropriations committee.</p>	<p>The Executive Appropriations Committee should consider having all parts of the Land Trust report to a single oversight committee.</p>
<p>While SITLA's mission is to maximize revenues for the beneficiaries, before revenue goes to the beneficiaries it is invested by SITFO. From a statewide perspective, to maximize revenues both SITLA and SITFO need to be optimizing performance of their portfolios. SITFO currently does not have any line-item metrics with which to provide accountability and measure performance.</p>	<p>The Legislature should establish performance measures for SITFO based on industry standards.</p>

OUTDOOR RECREATION

RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>Departmental operating and administrative expenses for the administration of the boating account of the division shall be charged against that account.” It is unclear what constitutes “departmental” expenses. This statute could potentially conflict with the statute governing the Boating Account (73-18-22), which restricts the use of funds from the Boating Account solely to the Division of Outdoor Recreation.</p> <p>We also found out that the Utah Children's Outdoor Recreation and Education Fund (79-8-304) has never had any funding in it and is not needed by the division.</p>	<p>We recommend the Legislature review and reconcile the statutes governing the use of the Boating Account and consider eliminating the Utah Children's Outdoor Recreation and Education Fund.</p>
<p>The current fee calculations do not account for all the costs as required by statute.</p>	<p>We recommend the division review and revise its current methodology for calculating the costs to administer each fee and provide a report with recommendations by September 27, 2024.</p>

OUTDOOR RECREATION

RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>The current budget structure of the division does not meet the needs of the division.</p>	<p>We recommend the Legislature approve the following restructure recommended by the division:</p> <p>Operations Line Item Directors Office, Boating, Law Enforcement, OHV, Outdoor Services, Outdoor Shop</p> <p>Capital Line Item Boating Access Grants, Land and Water Conservation, Outdoor Infrastructure, Off-highway Vehicle Grants, Recreational Trails Program, Outdoor Capital</p>
<p>The division's operations line item includes \$518,200 from the General Fund, which is used for the division administration. Since the directors oversee all division activities, their compensation could mirror the funding mix of the line item.</p>	<p>We recommend that the Legislature replace the General Fund with restricted funds in proportion to the funding mix of the line item, allowing the General Fund to be used for other legislative priorities.</p>

OUTDOOR RECREATION

RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>According to 41-22-8, the maximum registration fees for off-highway vehicles (OHV) are:</p> <ul style="list-style-type: none">• Off-highway vehicle: \$35• Snowmobile: \$26• Street-legal all-terrain vehicle: \$72 <p>These amounts represent the maximum limits set by statute, so the specific fees should be detailed in the fee bill. However, the current fee schedule only lists two charges: "Statewide OHV Registration Fee \$72" and "State-issued Permit to Non-resident OHV \$30." The listed "Statewide OHV Registration Fee" does not match the maximum fee limits set by the statute.</p>	<p>We recommend that the division include the specific registration fees for each type of off-highway vehicle as outlined in statute 41-22-8 in their proposal for the 2025 General Session. The proposed fees should not exceed the amounts specified in the statute.</p>

STATE PARKS

RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>Our review of the statute identified several areas that need updating. There are outdated references to the now-discontinued parks board and some sections that refer to functions no longer in practice, such as riverway enhancement grants (UCA 79-4-802). Additionally, there is a potential error regarding the use of Boating Account (UCA 79-4-401). There is also a typographical error that also needs to be addressed in UCA 79-4-1203(1)(a)(iii)(A).</p>	<p>We recommend that the Legislature eliminate outdated sections referring to the parks board, discontinue the Riverway enhancement grants, remove the provisions allowing State Parks to access Boating Account funds, and correct any typographical errors.</p>
<p>After the Winter Olympics of 2022, the Division of Parks and Recreation issued a revenue bond for the Soldier Hollow Golf Course for \$20.2 million with an annual payment of \$1.0 million from the Park Fees Restricted Account. The bond was fully paid off in 2024 and the \$1.0 million is no longer needed.</p>	<p>We recommend the Legislature reduce the division’s base budget by \$1,010,800 ongoing from the Park Fees Restricted Account, starting in FY 2025.</p>
<p>Parks Operations’ line item currently doesn’t provide details on the budget of the different types of state parks, such as the state golf courses, the museums, the recreation parks.</p>	<p>We recommend the Legislature restructure the division’s operations line item to include the following appropriation units: Executive Management, Support Services, This Is The Place, Golf Courses, Recreational Parks, Heritage Parks.</p>

STATE PARKS

RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>UCA 63J-1-504(3)(b) stipulates that an agency may not “create, change, or collect any fee unless the fee has been established according to the procedures and requirements of this section.” We have observed that the division is charging fees that are higher than those approved by the Legislature in H.B. 8 (2024 General Session).</p> <p>For example, the authorized amount compared to the amount charged online:</p> <ul style="list-style-type: none"> a. Group Camping <ul style="list-style-type: none"> i. Maximum Fee Allowed in HB 8: \$400 ii. Actual Fee Charged for Wallsburg (Deer Creek): \$500 b. Group Site Day-Use <ul style="list-style-type: none"> i. Maximum Fee Allowed: \$250 ii. Actual Fee Charged for Wallsburg Group Pavilion (Deer Creek): \$400 c. Cottages <ul style="list-style-type: none"> i. Maximum Fee Allowed: \$200 ii. Actual Charged for three locations: \$250-500 d. Golf <ul style="list-style-type: none"> i. Maximum Fee Allowed: \$82 ii. Actual Charged at Wasatch/Soldier Hollow: \$85 	<p>We recommend that the division issue refunds to all park visitors who were overcharged in FY 2024 and FY 2025. By September 25, 2024, the division should also submit a detailed report outlining the overcharged fees and the refunded amounts. Additionally, we recommend the Legislature review and potentially increase some park fees, based on a comprehensive price comparisons and recommendations from the division.</p>

STATE PARKS

RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>One of Parks fees is titled: "Annual Repository Agreement, Annual Agreement Fee, Fee Collection, Return Checks, and Duplicate Document (per storage unit)."</p>	<p>We recommend the Legislature change the name of the fee to "Repository and Annual Agreement Fee."</p>
<p>The division is also charging fees that are not approved by the Legislature in H.B. 8 (2024 General Session). Examples include:</p> <ul style="list-style-type: none"> a. Extra Vehicle, Peak: \$20 b. Golf Spectator Fee: \$14 	<p>We recommend that the division issue refunds to all park visitors who were charged for the unapproved fees in FY 2024 and FY 2025. By September 25, 2024, the division should also submit a detailed report outlining the unapproved fees and the refunded amounts. Additionally, we recommend the Legislature review and potentially approve the additional park fees, based on a comprehensive price comparisons and recommendations from the division.</p>
<p>The division has not provided its calculations for the cost of each fee, as required by statute.</p>	<p>We recommend the division provide the calculations for the cost of each fee by September 27, 2024.</p>

STATE PARKS

RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>There is a vast discrepancy between the fees authorized by the Legislature for boating slips and storage and what the division is charging. Given the high demand for these services, with waiting lists numbering in the hundreds and spanning many years, the division is forgoing substantial revenue generation. The current fee schedule approved in H.B. 8 allows the division to charge \$7 per foot per day for boat mooring for residents and \$14 per foot per day for nonresidents. However, the division's actual fees are 35 to 70 times lower than these authorized rates. For example, at Bear Lake State Park, the fee for a Long-Term Boat Rental Slip for a 22-foot boat is \$800 per season (May 1 - October 31), which equates to \$4 per day. This is 35 times less than the authorized \$154 per day (\$7 per foot x 22 feet) for residents. In addition, the division has decided not to apply the newly approved nonresident fee, nor charge the authorized Boat and RV Storage fee.</p>	<p>We recommend the division provide a comprehensive price comparison and a proposal for boating slips and storage.</p>

STATE PARKS

RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>The Parks' website contains outdated and inaccurate information. Since this is the main resource for park visitors to make decisions, it is essential that the information is correct. For example, East Canyon's webpage lists yurt rates as \$100 Monday through Thursday and \$130 Friday through Sunday/holidays, but the reservation site shows rates of \$120 for weekdays and \$150 for weekends. And the website lists Palisade Cabins at \$125, while a link with pictures of the cabins display rates ranging from \$80 to \$100.</p>	<p>We recommend that the division ensure all information on their website is accurate and reviewed regularly.</p>
<p>Park managers often use available parking spaces to determine how many boats can be allowed at a boating park on busy days. However, since water levels at reservoirs fluctuate both annually and within the year, they should instead establish guidelines for the maximum number of boats based on the current water levels. This would help park managers ensure greater safety and satisfaction for visitors.</p>	<p>We recommend the division establish guidelines for the maximum boats allowed at each boating park based on the water levels.</p>

STATE PARKS

RECOMMENDATIONS & BUDGET ISSUES

Budget Issue	Recommendation
<p>The division may have a disconnect between its definition of success and how it measures it. They define success as the level of natural resource management, visitor satisfaction, attendance, economic impact, and educational value of the parks. However, they measure success primarily through financial indicators, such as gate revenue, total revenue, park expenditures, completion of renovation projects, and donation revenue.</p>	<p>We recommend that the division align its performance metrics with its defined objectives and propose by September 27, 2024 additional measures that capture other objectives, such as visitor satisfaction and natural resource management.</p>

NEXT STEPS

October 2024 Meeting

Follow Up

- Collect Subcommittee feedback and suggestions
- Discuss changes to or additional recommendations with entities

Vote on Accountable Process Budget

- Budget adjustments
- Intent language
- Reporting requirements
- Other Legislative actions
- Outcome of the vote becomes Section 3 of H.B. 5

Questions?



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