

**MINUTES OF THE
NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE
January 10, 2006
Room W130, West Office, Building, State Capitol Complex**

MEMBERS PRESENT: Sen. Thomas Hatch, Co-Chair
Rep. Bradley T. Johnson, Co-Chair
Sen. Beverly Evans
Rep. Ben C. Ferry
Rep. Kerry W. Gibson
Rep. Rebecca Lockhart
Rep. John G. Mathis
Rep. Rhonda R. Menlove
Rep. Michael E. Noel
Rep. Carl W. Duckworth
Rep. James R. Gowans

MEMBERS ABSENT: Sen. Parley Hellewell

STAFF: Ivan Djambov, Fiscal Analyst
Cindy Hopkin, Committee Secretary

SPEAKERS: Richard Frenette, Utah State Fair; Richard Abbot, Controller; Mike Styler, Dir. Natural Resources Administration; Dennis Carver, Finance Director NRA; Ivan Djambov, Fiscal Analyst; Mary Tullius, Deputy Director Utah State Parks and Recreation; Mark Forbes, Financial Manager State Parks and Recreation; Jim Karpowitz, Director Wildlife Resources; Greg Sheehan, Administrative Services Chief DWR; Jerry Olds, State Engineer Division of Water Rights; Larry Anderson, Director Division of Water Resources; Lynn Stevens, Public Lands Coordinator; John Baza, Director Division of Oil, Gas and Mining; Paula Dupin-Zahn, Financial Manager DOGM; Joel Fransen, Director of Forestry, Fire and State Lands; Maria Stayliff, Audit Supervisor Office of the Legislative Auditor General; James Lee, Chair SITLA Board; Michael Morris, Vice Chair SITLA; Richard Allis, Director Utah Geological Survey; Leonard Blackham, Commissioner Utah Department of Agriculture and Food; Jed Christiansen, Head of Marketing and Development UDAF; George Hopkins, Head of Conservation and Resource Management UDAF; Dr. Michael Marshall, Head of Animal Industry UDAF; Kyle Stevens, Head of Regulatory Services UDAF; Steve Burningham, Head of Plant Industry UDAF; and Dr. Dave Clark, Head of Laboratory Services UDAF.

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Representative Johnson called the meeting to order at 9:25 a.m.

Rep. Johnson welcomed the committee and agencies. There wasn't a quorum present to approve the

minutes of February 7, 2005. Rep. Johnson invited the Utah State Fair Corporation to present their stewardship, performance measures, and vision for the future to the committee.

--Richard Frenette, Director, assisted by Lorin Moench, Chairman of the Board and Richard Abbot, Controller; gave the presentation for the Utah State Fair.

The State Fair Park serves the public by doing things specified in HB243 that created the fair park. This includes conducting the annual Utah State Fair, arranging and finding expositions of livestock, poultry, agriculture, domestic science, horticulture, minerals industry and manufacturing. Their mission is also to stimulate and promote livestock breeding, emerging industry arts, creative arts, the educational pursuits of the people of Utah, and the responsibility to provide, sponsor and arrange for public entertainment, displays and exhibits. The State Fair is the culmination of all 4H and FFA projects across the state and encourages youth and families to participate in those organizations. They provide information for those who have not been raised in a rural environment as to the importance of agriculture in our society. The fair park provides displays of new technology and allows the citizens of the state to display their skills and talents.

The Utah State Fair also generates an economic impact of over \$10M on an annual basis to the state and an actual generation of hard dollars over \$500,000 just in sales tax revenue that comes from the annual state fair. Also they create over 600 part time jobs during the fair every summer.

The Utah State Fair Park defines their success through attendance at the state fair and other events conducted at the fair park. There are approximately 300,000 people in attendance at the annual fair and another 170,000 people who attend public entertainment, displays, exhibits and trade shows during the non fair period.

Performance measures for the fair park are primarily related to attendance, revenue, and feedback from patrons who attend the annual fair and other events conducted during the year. Financial performance badges collected from vendors at the fair gauge the public's willingness to purchase goods and services at the annual event.

Their goals are to increase attendance and revenue at the state fair and to expand the appeal of the fair to other segments of Utah's society. They purchased the Colosseum which was a 2,000 seat venue in the past and need to do something in the future to update that facility.

The State Fair Park is doing a number of things to become more efficient and effective; and they have reduced the number of full time employees from 25 to 18 in the last two years. They have taken the entire food operation for the 2006 fair instead of having the food concession operation handled by one contractor as was done for the past 23 years. This will give them the ability to control food choices, offer a better price and make a presentation that will get patrons excited about the fair and coming back

in the future.

Major issues and challenges are: the aging facility, the need to renovate, replace and add new facilities so they can stay competitive for the discretionary dollars of Utah's population and to continue to meet the mission mandate of the Legislature.

The State Fair Park requested an extra \$25,000 as a one time budget item purchase of an automated ticketing system which will facilitate advance sales of tickets online, increase excitement about the fair and attendance and revenue at the fair.

--Mike Styler, Director of the Department of Natural Resources (DNR), assisted by Dennis Carver, Finance Director; gave the presentation for DNR Administration. The primary mission of administration is to ensure the coordination and cooperation of the divisions and to provide quality support.

They provide Human Resource services, information technology support, public relations, accounting and finance support, endangered species mitigation, watershed development, private property protection and safety. Their primary customers are the citizens and visitors of Utah, the economic development community, federal, state and private partners, local businesses, schools and communities, and the elected officials who represent those customers.

DNR Administration measures their success by their development of Utah watersheds to increase water yield, grazing opportunities, and all other ecosystem values to benefit Utah citizens. Mr. Styler referred to the watershed development handout which gives information about their current projects. They also measure success by the development of customer sensitive employees, the prevention of listing of sensitive and endangered species, and the maximization of administrative services at the lowest possible cost.

The following are examples of DNR performance measures and the purpose of those measures:

1. Numbering new species listings to determine if the funding is effectively achieving the desired outcome of no additional listings.
2. Numbering vehicular and on-the-job injuries over time indicating if the expenditures in the safety program are achieving results.
3. Measuring fuel consumption from year to year to determine if managers are actively pursuing fuel efficiency.
4. Maximizing the acres treated which then will maximize the number of acres of watershed development.

The major issues and challenges of DNR are: The transition to a culture of aggressive marketing and customer service to reduce general fund operational cost, establishing reward systems for innovation

and aggressive customer service, and maintaining affordable access to natural resource activities while funding accelerating demands from the restricted accounts.

The DNR plans to continue to pursue cultural changes in customer service, expand partnerships with businesses, local communities and other government entities, provide incentives for achievement of goals, stay in constant communication with their customers to implement needed changes and continue to establish benchmarks and performance measures.

--Ivan Djambov, Fiscal Analyst, provided a "Memorandum" packet for members of the committee to assist in the 2006 budget process. Included in the packet is a list of questions that Natural Resources Appropriations Subcommittee (NRAS) members may use to better evaluate each agency's base budget and requests for funding increase, and historical budget information with highlighted areas of unusual increases and reductions of each agency's budget.

--Mary Tullius, Deputy Director, assisted by Mark Forbes, financial manager; gave the presentation for the Division of Parks and Recreation. Their mission is to provide opportunities to improve the quality of life in Utah through programs and services of the Utah State Parks facilities and systems.

The \$2M they received from NRAS last year was used to fund the Anasazi State Park gift shop expansion, a group use area built at Bear Lake, a group use area and day use enhancements at Coral Pink, shade shelters at Dead Horse Point, a visitor contact station at Goblin Valley, a group use area for Hyrum, work on the Great Salt Lake sewer system, a group site at Otter Creek, the addition of rental docks at Schofield, and a group use area at Wasatch.

Services provided by Parks and Recreation include camping, off highway vehicle and non motorized recreation, protection of natural and cultural resources, water recreation, scenic golf experiences, rescue and enforcement of safety laws.

The Division of Parks and Recreation serves families and individuals living in Utah, out-of-state and foreign tourists, federal, state and private partners, local businesses, schools, communities, outdoor, boating and OHV enthusiasts.

Success in providing services to the satisfaction of their customers at an affordable cost is measured by visitation and revenue trends, and by the number and amount of boating and OHV registrations. They also measure success by ensuring that all park related programs and activities are carried out in a safe, law abiding manner, and by constructing and maintaining quality facilities and trails. The division has implemented the visitation system used by National Park Services to increase the accuracy of visitation data through the use of a software program. Utah is a pioneer in developing the OHV and PWC education and safety programs, and measures success by the number of graduates from these programs. The majority of the other states have followed Utah and implemented the same kind of

education program.

Major issues and challenges of Parks and Recreation include marketing and advertising parks and recreational programs, increasing revenues to meet service demands with reasonable fee increases, and the renovation of aging facilities.

Their plans for the future of the division include developing marketing and business plans for each park, expanding partnerships with local businesses by working with state and local tourism councils and bureaus, and developing a stable, long term source of funding for renovation and development of parks.

--Jim Karpowitz, Director of Wildlife Resources (DWR), assisted by Greg Sheehan, Administrative Services Chief, gave the presentation for DWR. Their mission is to serve the people of Utah as trustee and guardian of the state's wildlife and to ensure its future and values through management, protection, conservation and education.

Wildlife enhances Utah citizen's quality of life and is a primary reason people choose to live and locate their businesses in Utah. Wildlife related activities in 2001 (their most recent figures) provided about \$1.4 billion to the Utah economy.

The division measures their success through their various management plans. Utah does more in terms of habitat than any other state. Most wildlife agencies do not see habitat as a wildlife agency responsibility, but in Utah the agency believes it is the best way to improve the state's wildlife populations. Together with DNR Administration, DWR has gotten 122,000 acres of work done in this past year. Utah is also aggressive in terms of predator control to benefit the other species. The combination of habitat and predator control has resulted in significant increases in sage grouse (which was on the verge of being listed as endangered) and deer populations. In 2007 there will be a super convention in Utah of all of the major sportsmen's groups throughout the west which will benefit Utah's economy.

At the end of last year, 22 division employees retired, many of which had 30+ years with the state of Utah. This resulted in a significant loss of experience from the division, especially in the aquatic and law enforcement sections. The division is working to replace these people, which will mean 50 to 60 job changes; this will include learning new jobs for some current employees and recruitment and training of new employees. Other challenges for the division are fewer young people that are interested in fishing, hunting, and wildlife resources, disease problems such as whirling disease in our fish hatcheries, chronic wasting disease in deer and elk, and avian influenza, and a \$3.5 million budget shortfall in FY07 if they don't increase licences and fees.

Sen. Hatch explained that because the Division of Wildlife Resources has such a low percentage of General Fund money, when a cost of living or merit increase is given to employees only General Fund

money is budgeted for that. Because of this low percentage of General Fund, the division has to raise the additional revenue through dedicated credits or restricted accounts to be able to meet those benefits.

Rep. Noel pointed out that even though there are many who benefit from Utah's wildlife, the hunters bear the major portion of the fees.

--Jerry Olds, State Engineer, gave the presentation for the Division of Water Rights. Their mission is to be the water rights authority, administering water use consistent with established law.

They are responsible for water rights application processing, the office of record for all water rights, water distribution regulation, water well driller licensing, dam safety inspections, new construction oversight, stream alteration permits, adjudication (evaluating the extent and nature of water uses in a basin and resolving conflicts through the district court), and collecting water resource data.

The division processes about 3,700 water right applications, issues 1,200 certificates of beneficial use, and 300 stream alteration permits annually; plus 120 licensed well drillers and 3,200 reports of conveyance (the title issue on water rights). The division has published two proposed determination books and three addendums, with three PD books pending. They have developed new processes and tools to increase quality and efficiency. The division has also developed Water Resource Cooperative Studies which provides reliable and sound data for making, and then defending decisions. It is a cooperative program with the US Geological Survey, and the Utah Geological Survey, as well as a number of water users throughout the state. 300 dams are inspected and documented annually. The division has installed automated water measurement technology on the Upper and Lower Bear River. They also provide public assistance on water right matters, which cost \$1.1 million in FY05.

The water resource employees do such an excellent job of customer service that they are not then able to do the other duties and responsibilities that they have. The division needs to deal with the backlog of water right applications and improve the processing time. The division plans to update their "proof of beneficial use" requirements and their technology in water measurement and management. They are very committed to performance measures and strategic planning as well as General Stream Adjudication. The division is researching ways to balance public assistance with their other duties, and they have an excellent website to provide information.

--Larry Anderson, Director of the Division of Water Resources, assisted by Terry Jackson, Budget Officer, gave the presentation for the Division of Water Resources. Together the Board and Division are the water resources authority for the State of Utah. The Board is the policy making body and the Division protects Utah's rights to interstate waters, provides comprehensive water planning, and manages Utah's water resource project construction programs.

The Board/Division have benefitted the state by defending and protecting Utah's entitlement to interstate streams, implementing water conservation and education programs, continuing state water planning activities to identify future needs and supplies, providing technical and financial assistance to develop the state's water, promoting cloud seeding projects and research, and making accurate water supply and use information available.

The division's performance measures range from measuring progress towards meeting the state's water conservation goal to monitoring the number of projects constructed through the funding programs. Some of their challenges are: negotiations with the Colorado River Basin states on developing coordinated operations, the southern Nevada Water Authority ground water project in Snake Valley, settlements with the Indian Tribes on their share of the Colorado River, water conservation, water development, and voluntary conversion of agricultural water.

--Lynn Stevens, Public Lands Coordinator, assisted by Sandra Naegle, Financial Manager, gave a presentation for the Public Lands Policy Coordinating Office. Their mission is to develop and coordinate Utah's political subdivisions, and the policies and procedures governing the actions which are appropriate for the use, development and conservation of public lands within the state.

They serve the general public by coordinating the efforts of state agencies and political subdivisions as they deal with the federal land management agencies. The efforts of this office help to avoid expensive duplication of efforts among state and local entities, minimizing or eliminating confusion among the various entities involved in public lands issues, and formulating policy regarding public lands to protect State and local values and interests.

--John Baza, Director of the Division of Oil, Gas and Mining (OGM), assisted by Paula Dupin-Zahn, Financial Manager, gave the presentation for the division. OGM facilitates the ability of the extractive industries in Utah to continue to explore for, develop, and produce the needed petroleum, coal, and mineral resources to improve the quality of life of the citizens of the state. Their core values include stewardship for responsible development of energy and mineral resources, economic well being through beneficial land use and proper reclamation, providing quality customer service, educating the industry, the public, and future generations, protecting the environment, ensuring public safety, and providing fair and consistent governing through oversight of the extractive industries.

The success of OGM can be seen through the effectiveness of their rulemaking and application efforts, their monitoring efforts, and their record keeping efforts. There has been a growth in the extractive industries starting in FY03 with \$3.2 billion in sales; in FY04 it was \$4.2 billion and now in FY05 they have exceeded \$6.3 billion in sales revenue that includes oil, gas, coal, and minerals sales. Commodity prices have improved in the oil, gas, and mineral sectors. This is significant for the state because all of the revenue streams in the state grow from that sales money.

The Oil and Gas Conservation Fund is a restricted account set up by the Legislature with a fixed cap of \$750,000. This past year there were excess monies lapsed back to the General Fund because the revenue OGM received exceeded their needs. In FY03 the amount that was lapsed back from that fund was \$290,000, in FY04 it was over \$1 million, and in FY05 on June 30th OGM lapsed back \$1.8 million.

The division will be challenged to continue providing efficient and effective service as society expands and progresses, and as the demand for energy and mineral resources increases through improvements in their electronic processes, streamlining their regulatory responsibilities, contracting or outsourcing various products and services, and educating the extractive industry and the public regarding wise and prudent resource development within the state.

--Joel Fransen, Director of Forestry, Fire and State Lands (FFSL), assisted by Roger Lewis, Budget Officer, Mark Forbes, Budget Officer, and Dick Buehler, Deputy Director and Legislative Liaison, gave the presentation for their division. The agency provides technical forestry assistance to private landowners, communities, and other state agencies. They provide wildland fire protection for state and unincorporated private lands, coordinate fire suppression efforts with federal agencies, and optimize the benefit of sovereign land resources held in the public trust.

The performance measures of this division are: the number of fires and acres burned on state and private lands, the percent of human caused fires, the number of community fire plans, of projects and acres in hazardous fuel reduction, of communities participating in Tree City USA, the acres in conservation easements acquired, and the revenue generated from Sovereign Lands. The division received 3 national awards this past year: one for excellence in community assistance, excellence in hazard reduction and the Franklin Award.

The major issues and challenges that the division faces include forest watershed protection and health. Drought conditions, invasive insects, and passive management due to federal lands has contributed to a crop of hazardous fuel which is measured by tons per acre in the high watershed areas. When you get a fire in a diseased and dead forest area, it will burn hotter and be more intense and have greater impact on those watersheds; effecting the 10% of Utah's land base which produces the bulk of our water resources. Other challenges are wildland urban interface growth, the increase of invasive species and noxious weeds, retaining skilled employees to accomplish their mission, and paying for fire suppression costs.

The division's budget sources for FY06 are \$1.5 million (10%) from General Funds, \$4.2 million (29%) from Federal Funds, \$3.3 million (22%) from Dedicated Credits Revenue, and \$5.8 million (39%) from Sovereign Land Restricted Funds.

Rep. Johnson adjourned the meeting for a lunch break. The meeting to be continued at 2:00 p.m.

Sen. Hatch reconvened the meeting.

The Fiscal Analyst introduced his document "Reoccurring Intent Language Proposed for Statute". The proposal resulted from a request made by the Executive Appropriations Committee and was presented to give the committee members the opportunity to discuss and suggest any changes they might feel are needed.

--Maria Stahla, Audit Supervisor from the Office of the Legislative Auditor General, assisted by Tim Osterstock, Audit Manager, presented information on SITLA's compensation program. The Co-Chairs of NRAS requested an audit of SITLA after a Legislative audit on state wide employee incentives showed that SITLA was paying the highest bonuses of all state agencies. A copy of that audit was provided for each of the committee members.

The report is divided into two parts; the auditor's review of bonuses and their review of total compensation. Their overall findings are that SITLA's administrators are well compensated compared to their peers in state government and other western states Trust Land organizations, and the majority of it is because of the large bonuses unique to SITLA. Second, the bonus program is based on achieving net revenue goals that are based on natural gas and oil prices and an expanded land sales program. With bonuses, SITLA's administrators are compensated on average 26% higher than their counterparts in Utah state government and trust land management organization organizations in other states.

There are two different bonus programs; the board bonus for senior management and the bonuses paid to the rest of the staff. Together the programs have paid staff \$2 million since its conception in 1997. The board bonus program for senior management awarded \$45,000 total in 1997. That year the bonuses ranged from \$4,000 to \$18,000 per person. In 2005 bonuses totaled almost \$150,000 and ranged from \$20,000 to \$40,000 per person. The bonuses are higher than the \$8,000 annual cap currently allowed by state rules. However, SITLA is an independent entity exempt from state rules. The staff bonuses began a year after the senior management bonuses. Aggregate bonuses have grown from \$70,000 to \$214,000. Staff bonuses average about \$2,000 per person, with a high for one employee of \$10,500 one year. One half of the bonuses for senior management and all of the staff bonuses are based on reaching net revenue goals set by the board.

SITLA cites, in defense of the bonus program, the organization's outstanding financial performance, specifically, increases in annual revenues. However auditors believe that SITLA's increased revenues are not due to organizational performance as much as increases in natural gas and oil prices (for example: natural gas prices have increased 446% since 1995 when SITA was created) as well as an expanded land sales program-most recently selling prime trust land.

Based on their review of historical revenues earned, the auditors believe that revenue goals are set

unrealistically low, making them easily attainable. They recommend that if the bonuses continue, they be based on appropriate and measurable goals, and that the Legislature provide SITLA with guidelines for salaries and bonuses.

Sen. Hatch invited SITLA to respond and stated that NRAS members have only received the compensation portion of the audit, and that the rest of the audit will be presented on the 19th of January.

--James Lee, Chair of the SITLA Board, assisted by Michael Morris, Vice Chair, responded to the review. All the board members presently serving, who have been serving since 1994 when the legislation went into effect setting up the agency, have been required to be knowledgeable in mining, oil and gas, investing and banking.

The Legislative Advisory Board determined that the Trust Lands Management Agency should operate like a business and not like other government agencies, with reasonable independence from the state's bureaucratic structures so that it could respond in a timely fashion to business opportunities. The advisory board recommended that compensation should be market based, considering private business executive's salaries, including bonuses as the board of trustees found appropriate. Board members should have outstanding professional qualifications in business, real estate, and asset management.

Mr. Lee stated that the Legislature's directive in Utah Code 53C12013D4 is that compensation for SITLA management should be based upon compensation for similar positions in private enterprise as well as any other public employment. The Board recommends that this be taken into consideration along with the auditors' review of government and other land trust organization's compensation.

In response to the Auditors' statement that SITLA's revenue goals are set too low, the board stated that their committee struggles each year with the problem of possibly setting a benchmark so high that foolish decisions are made and precious trust assets are monetized without regard to potential value at a later date. They don't want to set unrealistically high goals or unrealistically low goals. In any one year there can be capital events or large, significant items that can skew the prior year's performance. Setting the bar above the prior year's bar rather than the prior year's performance is the approach the board has chosen because of large capital transactions that come and go. The increase in oil and gas prices is only partly responsible for the financial success of SITLA.

Sen. Evans commented that out in the Uinta Basin, in the oil and gas fields, there were a lot of SITLA lands that were very isolated and pocketed. Through land exchanges, working with the industries, the BLM, federal agencies and private land owners, SITLA has been able to reorganize, restructure and do exchange outs that have been very successful. SITLA has taken land that had no value and very professionally analyzed where those lands are. Some of the in holdings and exchange outs, have been the best things that could have been done with those lands. The result is that a lot of the agency's

increase in revenue is because of the work that has been done by SITLA.

Sen. Hatch commended the present and past board members and employees of SITLA for their performance. But he also stated that the Legislature needs to give the SITLA Board direction in regards to employees' compensation.

--Richard Allis, Director, assisted by John Kingsley, Associate Director, gave the presentation for the Utah Geological Survey. UGS is an applied scientific agency that creates, interprets, and provides information about Utah's geologic environment, resources, and hazards to promote safe, beneficial and wise use of land.

The UGS contributes directly to Utah's economic development, and enhances the quality of life by reducing our vulnerability to natural hazards, assessing and promoting resource development, providing information for wise land use decisions, increasing knowledge and appreciation of the natural environment, and promotion the sustainable use of ground water.

The UGS responds to, and annually reports to the Governor and Legislature on 18 different performance measures. They strongly encourage the ethic of service, and compile outside feedback on the agency's performance for the UGS Board.

Increasing demand for the services of the UGS due to the economic potential of Utah's geologic environment, increasing vulnerability to geologic hazards due to urban growth, and the ever increasing need for wise land use decisions created by the economic growth and the need to also protect our quality of life. The UGS will need to constantly reassess work priorities based on the changing needs for geologic information as the state grows.

--Leonard Blackham, Commissioner of the Department of Agriculture and Food, provided the committee with the 2005 Annual Insect Report and a book titled "Department Overview and Legislative Update" which includes their presentation and information about each of their divisions. The department's mission is to protect and promote Utah agriculture and food and their work focuses on safe food, healthy environment, and vibrant rural communities. There are 7 divisions in Agriculture and Food. The farm and ranch community are involved in the department through rural caucus and Legislative Committees, the Agriculture Advisory Board, the Soil Conservation Commission, the Community Outreach Program, and regional meetings with the farmers and ranchers.

Department challenges include: new air quality requirements from EPA, Homeland Security issues, and improvements for the livestock industry through the Grazing Improvement Program, invasive species control, rangeland improvement projects, and federal and state land policies.

-Jed Christiansen, Head of Marketing and Development, reported that one of the major

accomplishments of the UDAF in 2005 was to create the new Marketing and Development Division; their mission is to raise the awareness of Utah Agriculture and Food products and to enhance local, domestic and international marketing opportunities.

They have programs for local marketing, domestic marketing, international marketing, organic food, market news reporting and junior livestock shows. In spite of limited funds and manpower and with the help of volunteers, the division has had 3 Utah's Own Conferences/Food shows, various consumer awareness events, they established a foundation of Utah's Own companies, and have the support of industry leaders.

To reach consumers with the message to purchase Utah first, the division is asking for one time non lapsing funding of \$400,000 to launch an extensive advertising, promotions, and events campaign for the "Utah's Own" program. This investment is to strengthen Utah's economy as current markets are expanded and new niche markets are created for producers, profits for farmers, ranchers and rural communities increase, new jobs are created, with a greater tax base for schools and roads and other benefits.

-George Hopkins, Head of Conservation and Resource Management, stated that the division works to protect, conserve and enhance Utah's agricultural and natural resources (including air, water and land) and to administer low interest loans and grants aimed at developing and improving resources. Their programs are divided into 3 sections: Environmental Quality, Soil Conservation and Agricultural Loans.

-Dr. Michael Marshall, Head of Animal Industry, stated the division's mission, which is to serve the people of Utah through: protection of the public from disease of animal origin, protection of the animal population from disease, protection of the livestock industry from disease loss, and facilitating export and marketability of Utah products. Their objective is to strengthen the division's ability to respond to introduced livestock disease threats. The division has programs for animal health, meat and poultry inspection, livestock identification, elk farming, and fish farming. They have animal disease diagnostic laboratories with the goal of providing timely, accurate, cost effective laboratory support for the Utah Livestock Industry.

-Kyle Stevens, Head of Regulatory Services, stated that the division mission is to ensure that Utah consumers receive a safe, wholesome and properly labeled supply of food, fiber and other agricultural products. They have programs which include 4,200 food compliance inspections, 1,614 dairy compliance inspections, egg and poultry grading, weights and measures, 350 reviews of product labeling, collection of product samples, and other inspections.

-Steve Burningham, Head of Plant Industry, stated that the division is responsible for ensuring consumers of disease free and pest free plants, grains, seeds, as well as properly labeled agricultural

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commodities, and the safe application of pesticides and farm chemicals. Their 4 major programs are: Plan Quarantine & Pest Control, Pesticide, Agriculture Inspection and Grain Inspection.

-Dr. Dave Clark, Head of Laboratory Services, stated that their mission is to provide analytical services for the Departmental Divisions and other government agencies as requested to ensure that products are in compliance with label guarantees, free of pathogens and toxins, and to protect the consumer, farmer and industry.

MOTION: Rep. James R. Gowans moved to adjourn the meeting at 4:40 p.m. The motion passed unanimously with Sen. Hellewell, Rep. Ferry, and Rep. Lockhart absent for the vote.

Rep. Bradley T. Johnson, Co-Chairman

Sen. Thomas Hatch, Co-Chairman