



# SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION: OPERATIONS

NATURAL RESOURCES, AGRICULTURE, & ENVIRONMENTAL QUALITY APPROPRIATIONS SUBCOMMITTEE  
STAFF: IVAN DJAMBOV & ANGELA OH

BUDGET BRIEF

**SUMMARY**

School and Institutional Trust Land Administration (SITLA) was established as a quasi-governmental independent state agency in 1994 to manage all school and institutional trust lands. A part of the generated revenue is used for SITLA’s capital and operating expenses, and the rest is distributed to the beneficiaries. All the funding for SITLA comes from the Land Grant Management restricted account.

The Analyst recommends for FY 2013 a total appropriation of \$9,564,400, including the following changes to the base budget:

- a one-time appropriation of \$346,300 for a Temporary RS 2477 Resource Specialist and Federal Land Exchange, and
- an ongoing appropriation of \$98,400 for Oil and Gas Resource Specialist

These recommendations are detailed below, as well as in the Budget Detail Table on page 3.

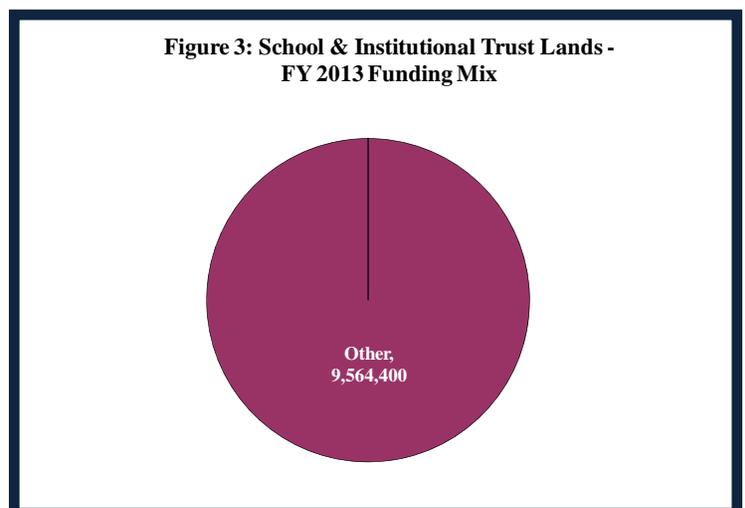
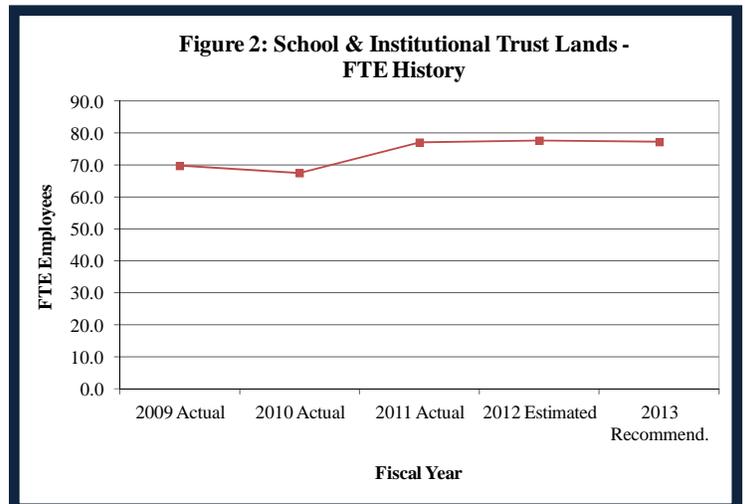
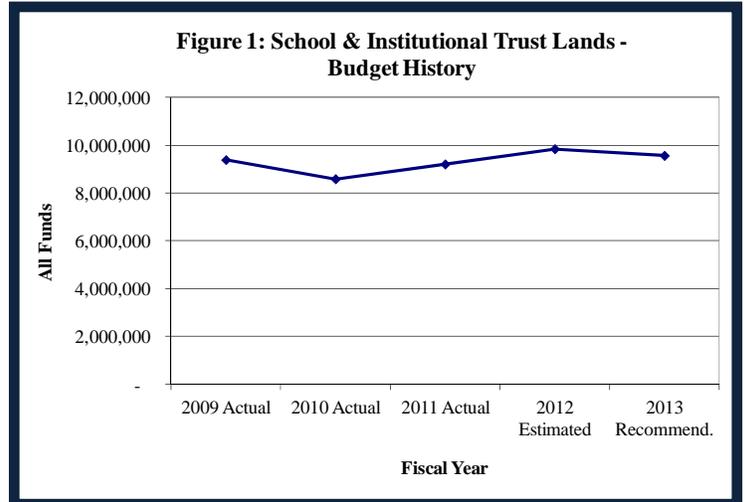
**ISSUES AND RECOMMENDATIONS**

***Temporary RS 2477 Resource Specialist***

SITLA is working with the Public Lands Office to help counties resolve the US 2477 claims involving trust lands. The data must be analyzed and determinations made on each claim. SITLA is requesting a one-time appropriation of \$46,300 to continue to utilize the temporary Resource Specialist position funded with one-time funds since FY 2008. The Analyst recommends the Legislature fund this request.

***Federal Land Exchange***

The agency is continuing to work on the land exchange program, in which sensitive parcels of trust lands (that may be involved in wilderness study areas or national monuments) can be exchanged with the federal government. Their current focus is on the following two federal



legislative initiatives:

- The Utah Recreational Land Exchange Act of 2009, which allows SITLA to exchange approximately 46,000 acres of trust lands (mostly in the Colorado River corridor) for BLM lands with high mineral values (in the Uintah Basin); and
- The proposed county land bills of several rural Utah counties patterned after the Washington County Lands Bill of 2009.

The Legislature appropriated for this purpose \$300,000 one-time funds for FY 2011 and FY 2012. SITLA reported that in FY 2011 they spent approximately one-third (\$109,600) of the appropriation, and the money was used as follows:

- \$40,000 to the state BLM office for SITLA share of the environmental assessments on the trade parcels,
- \$3,600 for a consultant, and
- \$66,000 to a lobbyist in Washington D.C. to help facilitate this transaction with Congress and the various federal agencies involved.

The agency is requesting an additional one-time appropriation of \$300,000 for FY 2013, and the Analyst recommends the subcommittee fund this request.

### ***Oil & Gas Resource Specialist***

One half of SITLA revenues come from oil and gas exploration. The agency reported that in the last 2-3 years the staff in the Oil and Gas group has been processing up to 250 applications for permit to drill (APD) new wells on trust lands. This increased workload is anticipated to remain steady for the next 10-15 years. The agency is requesting an ongoing appropriation of \$98,400 for another Oil and Gas Resource Specialist. The Analyst recommends the Legislature provide the funding.

**BUDGET DETAIL TABLE**

| <b>School &amp; Institutional Trust Lands - School &amp; Inst Trust Lands</b> |                    |                     |                |                    |                    |                    |
|---|--------------------|---------------------|----------------|--------------------|--------------------|--------------------|
|   | <b>FY 2011</b>     | <b>FY 2012</b>      |                | <b>FY 2012</b>     |                    | <b>FY 2013*</b>    |
| <b>Sources of Finance</b>   | <b>Actual</b>      | <b>Appropriated</b> | <b>Changes</b> | <b>Revised</b>     | <b>Changes</b>     | <b>Recommended</b> |
| Land Grant Mgt Fund   | 9,462,400          | 9,119,700           | 0              | 9,119,700          | 98,400             | 9,218,100          |
| Land Grant Mgt Fund, One-time   | 1,111,300          | 721,300             | 0              | 721,300            | (375,000)          | 346,300            |
| Lapsing Balance   | (1,368,900)        | 0                   | 0              | 0                  | 0                  | 0                  |
| <b>Total</b>  | <b>\$9,204,800</b> | <b>\$9,841,000</b>  | <b>\$0</b>     | <b>\$9,841,000</b> | <b>(\$276,600)</b> | <b>\$9,564,400</b> |
| <b>Programs</b>   |                    |                     |                |                    |                    |                    |
| Accounting  | 354,500            | 381,700             | 0              | 381,700            | 0                  | 381,700            |
| Administration  | 935,100            | 953,800             | 0              | 953,800            | 0                  | 953,800            |
| Auditing  | 334,600            | 352,400             | 0              | 352,400            | 0                  | 352,400            |
| Board   | 73,800             | 88,500              | 0              | 88,500             | 0                  | 88,500             |
| Data Processing   | 1,679,500          | 1,344,000           | 0              | 1,344,000          | (375,000)          | 969,000            |
| Development - Operating   | 1,310,000          | 1,457,700           | (10,000)       | 1,447,700          | 0                  | 1,447,700          |
| Director  | 530,000            | 778,900             | 0              | 778,900            | 0                  | 778,900            |
| Grazing and Forestry  | 397,500            | 494,600             | 0              | 494,600            | 0                  | 494,600            |
| Legal/Contracts   | 728,400            | 728,400             | 40,000         | 768,400            | 0                  | 768,400            |
| Mining  | 408,600            | 675,800             | (10,000)       | 665,800            | 0                  | 665,800            |
| Oil and Gas   | 576,700            | 628,500             | (10,000)       | 618,500            | 98,400             | 716,900            |
| Public Relations  | 254,700            | 234,400             | 0              | 234,400            | 0                  | 234,400            |
| Surface   | 1,621,400          | 1,722,300           | (10,000)       | 1,712,300          | 0                  | 1,712,300          |
| <b>Total</b>  | <b>\$9,204,800</b> | <b>\$9,841,000</b>  | <b>\$0</b>     | <b>\$9,841,000</b> | <b>(\$276,600)</b> | <b>\$9,564,400</b> |
| <b>Categories of Expenditure</b>  |                    |                     |                |                    |                    |                    |
| Personnel Services  | 6,424,600          | 6,500,400           | 59,700         | 6,560,100          | 69,300             | 6,629,400          |
| In-state Travel   | 59,300             | 130,800             | (2,400)        | 128,400            | 400                | 128,800            |
| Out-of-state Travel   | 56,900             | 76,900              | 0              | 76,900             | 0                  | 76,900             |
| Current Expense   | 1,780,800          | 2,554,500           | 142,300        | 2,696,800          | (164,600)          | 2,532,200          |
| DP Current Expense  | 809,300            | 556,500             | (196,700)      | 359,800            | (181,700)          | 178,100            |
| DP Capital Outlay   | 48,600             | 2,900               | (2,900)        | 0                  | 0                  | 0                  |
| Capital Outlay  | 25,300             | 19,000              | 0              | 19,000             | 0                  | 19,000             |
| <b>Total</b>  | <b>\$9,179,500</b> | <b>\$9,841,000</b>  | <b>\$0</b>     | <b>\$9,841,000</b> | <b>(\$276,600)</b> | <b>\$9,564,400</b> |
| <b>Other Data</b>   |                    |                     |                |                    |                    |                    |
| Budgeted FTE  | 77.1               | 75.0                | 2.7            | 77.7               | 1.5                | 79.2               |
| Actual FTE  | 71.4               | 0.0                 | 0.0            | 0.0                | 0.0                | 0.0                |
| Vehicles  | 18.0               | 19.0                | (1.0)          | 18.0               | 0.0                | 18.0               |