

**MINUTES OF THE
NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE
January 18, 2006
Room W130, West Office, Building, State Capitol Complex**

MEMBERS PRESENT: Sen. Thomas Hatch, Co-Chair
 Rep. Bradley T. Johnson, Co-Chair
 Sen. Parley Hellewell
 Rep. Kerry W. Gibson
 Rep. John G. Mathis
 Rep. Ronda R. Menlove
 Rep. Michael E. Noel
 Rep. Carl W. Duckworth
 Rep. James R. Gowans

MEMBERS ABSENT: Sen. Beverly Evans, Rep. Ben C. Ferry, and Rep. Rebecca Lockhart

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

SPEAKERS: Terrah Anderson, Governor's Office; Lorin Moench Jr., Chair Utah State Fair Board; Richard F. Abbott, Controller Utah State Fair Park; Richard Frenette, Director Utah State Fair Park; and Lynn Stevens, Coordinator Public Lands Office.

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

Sen. Hatch called the meeting to order at 3:45 p.m.

MOTION: Rep. Gowans moved to approve the minutes of February 7, 2005 and January 10, 2006. The motion passed unanimously with Sen. Evans, Rep. Ferry and Rep. Lockhart Absent for the vote.

Ivan Djambov, Fiscal Analyst, presented the Natural Resources Appropriations Subcommittee (NRAS) Budget Overview. He has provided 3 types of documents for the committee to use as resources. The Compendium of Budget Information (COBI) provides detailed information at a program level. The COBI is available on the Legislative Fiscal Analyst's webpage. Budget Briefs present information about a budget area, address issues, provide accountability measures, a brief funding history, and the Analyst's recommendations for budget and intent language as well as proposed legislative action. Issue Briefs discuss issues transcending line items or that merit more space than available in a Budget Brief.

Senate Bill 1 will be presented to the whole legislature for voting and is the Base Budget Bill. The appropriations from FY 2006, with very few changes, have become the agencies' base budgets for FY 2007. This will be the first of a series of appropriations bills that are expected

this year. This year, like last year, the Executive Appropriations Committee (EAC) did not allocate any extra General Funds to the subcommittees. Appropriations subcommittees are encouraged by the EAC to fund subcommittee priorities through reallocation of base budgets among programs and to prepare a funding priority list for the EAC that they hopefully will fund.

The Analyst's recommendations do not include personal services. The compensation and benefits increases for all state employees will be addressed by the EAC.

When the Legislature appropriates additional funding across the board, such as the COLA last year or the market comparability adjustments, it becomes a serious challenge for some divisions; primarily those that rely heavily on fees and donations. The problem is that the percentage increase is applied to all funding sources but the only additional revenue the agency gets for sure, is the General Fund portion. For the other funding sources, all they get is the *authorization* to spend up to the increased amount. This means that if you are an agency that gets 100% funding from the General Fund and if there is, for example, 2% COLA you receive the money. If you get only a small percentage from the General Fund and the rest is from fees or some other sources; all you get is the authorization to spend the money, but you first need to collect the money. The Divisions most affected by this are the Division of Parks and Wildlife Resources (with 8% General Funds) and the Division of Parks and Recreation (with 25% General Funds).

The total budget for NRAS has grown during 2002-2005 by 5%; the ongoing General Fund has decreased by 4%, and the Federal Funds have decreased by 1%. The growth is mostly from the Restricted Funds. During this same time period, the budget for the Division of Natural Resources (DNR) has decreased 1%, Agriculture's budget has grown 32%, and SITLA's budget has grown by 60 %.

The NRAS expenditure history of 2002-2005 for the agencies shows in-state travel increased by 21% and personal services (the salary and benefits portion) by 12%; and the number of FTEs for NRAS agencies has increased by 6% and the cost per FTE (dividing the personal services by the number of FTEs) has also increased by 6%.

Sen. Hatch welcomed Terrah Anderson from the Governor's Office of Funding and Budget and invited her to make comments on the Governor's recommendations for NRAS.

Ms. Anderson provided a summary of the Governor's recommendations for NRAS General Funds. Members of the committee were given a handout of this summary.

The Fiscal Analyst stated that the Utah State Fair Corporation has been included as a line item in the Division of Agriculture and Food's (DAF) budget since FY 2003. The State Fair Corporation is requesting for FY 2007 a one-time appropriation of \$25,000 from the General Fund to purchase a new ticketing system.

Loren Moench, Chair of Utah State Fair Board, assisted by Dick Abbott, Controller Utah State Fair Park and Richard Frenette, Director Utah State Fair Park presented the budget needs for the division. Currently the Fairpark uses a manual system of ticket sales at the admission gates and during peak times long lines are formed. Advance sales of tickets would be possible with a new ticketing system which would help lessen the time spent in line, help with fire safety issues and also help as "weather insurance" in the belief that advance sale of tickets would increase attendance at the fair during rainy weather. The new ticketing system would be web based.

Another concern of the agency is the lack of a covered facility which prevents the park from being competitive for special events. In 1997 the Coliseum which was a 2,000 seat venue that had been condemned, was torn down. Covering an arena would be an option instead of construction of a new building.

Rep. Gowans served on a committee in the early 80s for the State Fair with the object to look at the possibility of covering the arena to be able to compete with Denver and the National Western Livestock Show or other similar events that bring money into the community. Even then an Arabian horse show for 4 days would bring in \$40 million. Over the last 2 or 3 years the National Ram Sale, and similar events, are going to other arenas because there isn't a covered facility at the State Fair Park.

Rep. Noel asked for an estimated cost of covering the arena. Richard Frenette responded that to enclose the arena, put bleachers on both sides, and a cover over it would be about \$8 million to \$10 million, but would be paid back in about 4 years with the additional revenue it would bring to the fair park.

Lynn Stevens, Coordinator Public Lands Office presented the budget requests for the division and a list of their activities (the list is in the handout provided by the agency). He anticipates the following to be significant cost-driving factors:

- The actual costs of implementing the records of the claimed roads in the offices of the individual county recorders statewide.

- The preparation for and the litigation on the disputed roads.

- The purchase and maintenance of the appropriate equipment and software to assure the availability of proper documentation.

The main part of the budget for the Public Lands Office is comprised of money transferred from the Governor's Office (RS-2477 program), but also from the Department of Natural Resources, the Attorney General's Office, and other sources.

Sen. Hatch invited Leonard Blackham, Commissioner Utah Department of Agriculture and Food to participate in the discussion of some of the grazing issues that involve Public Lands and DAF. Commissioner Blackham believes the agencies need a mechanism to help prepare information and coordinate data from the various agencies on the grazing issues. Then they would be able to

share that information with the ranchers and grazing committees.

Both Mr. Stevens and Commissioner Blackham spoke in support of Public Lands and DAF programs and the desire for their agencies to work together on common issues.

MOTION: Rep. Gowans moved to adjourn the meeting at 4:53 p.m. The motion passed unanimously with Sen. Evans, Rep. Ferry, Rep. Gibson, and Rep. Lockhart absent for the vote.

Rep. Bradley T. Johnson, Co-Chairman

Sen. Thomas Hatch, Co-Chairman