

**MINUTES OF THE
NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENTAL QUALITY
APPROPRIATIONS SUBCOMMITTEE**

Room 25 House Office Building

February 7, 2012

MEMBERS PRESENT: Sen. David Hinkins, Co-Chair
Rep. John G. Mathis, Co-Chair
Rep. Keith Grover, Vice-Chair
Sen. Casey Anderson
Sen. Gene Davis
Sen. Ralph Okerlund
Rep. Roger E. Barrus
Rep. Susan Duckworth
Rep. Brad J. Galvez
Rep. Michael E. Noel
Rep. Lee Perry
Rep. Christine Watkins

MEMBERS EXCUSED: Sen. Margaret Dayton

MEMBERS ABSENT: Sen. Kevin T. Van Tassell
Rep. Dixon M. Pitcher
Rep. Stephen E. Sandstrom

STAFF: Mr. Ivan Djambov, Fiscal Analyst
Ms. Linda Service, Committee Secretary

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

1. APPROVAL OF MINUTES

There were no minutes to approve.

2. DIVISION OF PARKS AND RECREATION

Analyst Presentation

Mr. Ivan Djambov, Fiscal Analyst, discussed the Budget Brief, "Division of Parks and Recreation, Operations." The division is responsible for management and development of all state parks, statewide boating safety, and off-highway vehicle safety. The Analyst recommends for FY 2013 a total appropriation of \$28,207,000, including the following increases from restricted accounts: (1) a one-time appropriation of \$2 million from the State Park Fees restricted account, (2) a one-time appropriation of \$800,000 from the OHV restricted account, and (3) an ongoing appropriation of \$448,300 from the OHV restricted account for a funding correction. There is a request for non-lapsing intent language totaling \$490,500.

Mr. Djambov reviewed the Budget Brief, "Division of Parks and Recreation, Capital," highlighting the following recommendations for one-time funding: (1) materials for OHV trailhead kiosks for \$64,400, (2) materials for OHV trailhead restrooms for \$325,200, (3) Hardware Ranch drainage repairs for \$12,000, (4) Dead Horse Point water system for \$50,000, (5) Bureau of Reclamation Matching Funds for \$500,000, (6) automated entrance station for \$30,000, and (7) Rockport boat storage expansion for \$15,000.

Mr. Djambov discussed the Issue Brief, "Parks and Recreation Fees" noting the change in the fee schedule which states "the fees for the Division of Parks and Recreation may not exceed, but may be less than, the amounts stated in the division's fee schedule." He responded to questions from subcommittee members after making note of an addition to the schedule of repository fees which is to help museums receive funding from the federal agencies whose artifacts are stored at the state parks' repositories.

Mr. Djambov reviewed a PowerPoint presentation titled "Parks Restricted Account Balances." After giving a brief overview, he suggested the division focus on its greatest needs in the next five years. He recommended the following: (1) identify assets by park, (2) include maintenance and repair schedules of current infrastructure in each park's business plan, and (3) prepare a prioritized list with the capital needs by park and present it annually to the Legislature for action.

3. IN DEPTH FOLLOW-UP ON PARKS LEGISLATIVE AUDIT

An In-Depth Follow-Up of the Division of Parks and Recreation

Mr. James Behunin, Office of the Legislative Auditor General, presented "An In-Depth Follow-Up of the Division of Parks and Recreation." The Division of Parks and Recreation is in the process of implementing many of the recommendations listed in a January, 2011 audit report titled "A Performance Audit of Utah State Parks." The division has shown a clear commitment to adopting some of the business practices described in the report. Though substantial progress has been made, the division may need several years to adopt all the business practices described in the audit report. Because more time is needed, many of the audit recommendations are classified as being in the process of implementation.

Mr. Behunin detailed recommendations for improving its use of staff resources. The park system cannot become self-sufficient without addressing staff costs, which represent 60 percent of total division expense. There have been significant reductions in the number of administrative and law enforcement personnel, but more should be done.

In addition to the improved business practices and staffing adjustments, the audit suggests savings could also be achieved by modifying a park's hours, days or months of operation. The division continues to examine opportunities to more closely align park operations with the seasonal demand for services.

The 2011 audit report indicated that privatization of state parks is feasible but relatively untried. The audit recommends that a pilot program be used if policy makers decide to pursue privatization of state parks and that the division will need to provide the Legislature with a list of parks that would be good candidates.

With regard to the concern that the division reduce its reliance on the General Fund, policy should establish whether General Fund appropriations should be used only for scenic parks, heritage parks, and museums or whether public funds could also be used to support golf courses, marinas, and campgrounds. Until policy makers more clearly articulate the extent to which different types of parks and activities should receive public support, it will be difficult to determine how much should be appropriated from the General Fund. Mr. Behunin then responded to questions from subcommittee members.

Agency Presentation

Mr. Fred Hayes, Acting Director, Division of Parks and Recreation, introduced staff and Board members in attendance. The division preserves and provides natural, cultural, and recreational resources for the enjoyment, education, and inspiration of this and future generations. Mr. Hayes touched upon a PowerPoint presentation highlighting economic impacts, major accomplishments, and challenges and priorities for FY 13. He mentioned the importance of securing funding for 2013 and beyond, of obtaining fee flexibility, and of revisiting management and maintenance plans. Mr. Hayes responded to questions from the subcommittee members.

Mr. Ron Bigelow, Director, Governor's Office of Planning and Budget, spoke to the Governor's recommendation of \$1.4 million on-going from the General Fund for state parks. He suggested the legislature set clear goals and policy direction for the parks and then stabilize the parks with sufficient funding.

4. SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION (SITLA)

Analyst Presentation

Mr. Djambov reviewed Budget Brief "School and Institutional Trust Lands Administration: Operations." There are three requests for funding which are recommended by the Analyst: (1) a one-time appropriation for a Temporary RS2477 Resource Specialist for \$46,300, (2) a one-time appropriation for a Federal Land Exchange for \$300,000, and (3) an ongoing appropriation for an Oil and Gas Resource Specialist for \$98,400. Mr. Djambov commented on the Budget Brief, "SITLA Capital," and stated that in order to keep funding separate for capital development and projects that maintain the productivity of the land that would not be considered capital investments, the agency is requesting the Legislature authorize the creation of a new line item for SITLA titled "Land Stewardship and Restoration." The Analyst recommends the Legislature approve this request. He also brought to the attention of subcommittee members an informational document "State of Utah Trust Lands Administration," which reports on SITLA's major development projects.

Agency Presentation

Mr. Kevin Carter, Director, SITLA, discussed a chart which details the increase in SITLA's permanent trust funds from \$80 million in 1994 to \$1.3 billion at the end of the calendar year which he stated is primarily the result of the structure that the Legislature has created. Mr. Carter responded to questions from subcommittee members.

MOTION: Rep. Watkins moved to adjourn. The motion passed unanimously. Co-chair Hinkins adjourned the meeting at 10:00 a.m.

