

# JOINT BUDGET COMMITTEE



## SUPPLEMENTAL BUDGET REQUESTS FY 2021-22

### DEPARTMENT OF NATURAL RESOURCES

(Executive Director's Office, Parks and Wildlife, Colorado Water  
Conservation Board, Water Resources)

JBC WORKING DOCUMENT - SUBJECT TO CHANGE  
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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# DEPARTMENT OF NATURAL RESOURCES

## DEPARTMENT OVERVIEW

The Department of Natural Resources is responsible for developing, protecting, and enhancing Colorado's natural resources for the use and enjoyment of present and future residents and visitors. This briefing focuses on the following divisions:

- The **Executive Director's Office** (EDO) develops department-wide policies and provides administrative and technical support for Department divisions including: budgeting, accounting, financial management, human resources services, and the coordination of public information and environmental education. The EDO also contains the Colorado Avalanche Information Center (CAIC), which provides avalanche information and education, and promotes research for the protection of life and property.
- The **Division of Parks and Wildlife** (CPW) provides recreational opportunities at 43 state parks, manages more than 960 game and non-game wildlife species, issues hunting and fishing licenses, enforces wildlife regulations, and administers more than 350 state wildlife areas.
- The **Colorado Water Conservation Board** (CWCB) works to conserve, develop, and protect the state's water resources to ensure adequate water supply, maximize beneficial use, and reduce the impact of flooding and drought.
- The **Division of Water Resources** (State Engineer's Office) administers and enforces water rights, issues well permits, monitors streamflow and water use, regulates dam construction and safety, and represents Colorado in interstate water compact proceedings.

## SUMMARY: FY 2021-22 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF NATURAL RESOURCES: RECOMMENDED CHANGES FOR FY 2021-22						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$319,298,132	\$37,119,409	\$247,757,280	\$7,540,179	\$26,881,264	1,517.0
Other legislation	14,756,757	216,070	14,540,687	0	0	5.4
<b>CURRENT FY 2021-22 APPROPRIATION:</b>	<b>\$334,054,889</b>	<b>\$37,335,479</b>	<b>\$262,297,967</b>	<b>\$7,540,179</b>	<b>\$26,881,264</b>	<b>1,522.4</b>
<b>RECOMMENDED CHANGES</b>						
Current FY 2021-22 Appropriation	\$334,054,889	37,335,479	\$262,297,967	\$7,540,179	\$26,881,264	1,522.4
S1/BA3 Support for state park at Sweetwater Lake	76,579	0	76,579	0	0	0.3
S2 Roll-forward S.B. 21-249 appropriation	0	0	0	0	0	0.0
NPS1 Annual fleet true-up	(341,209)	(26,855)	(288,703)	(17,658)	(7,993)	0.0
<b>RECOMMENDED FY 2021-22 APPROPRIATION:</b>	<b>\$333,790,259</b>	<b>\$37,308,624</b>	<b>\$262,085,843</b>	<b>\$7,522,521</b>	<b>\$26,873,271</b>	<b>1,522.7</b>
<b>RECOMMENDED INCREASE/(DECREASE)</b>	<b>(\$264,630)</b>	<b>(\$26,855)</b>	<b>(\$212,124)</b>	<b>(\$17,658)</b>	<b>(\$7,993)</b>	<b>0.3</b>
Percentage Change	(0.1%)	(0.1%)	(0.1%)	(0.2%)	(0.0%)	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$333,806,889</b>	<b>\$37,308,624</b>	<b>\$262,102,473</b>	<b>\$7,522,521</b>	<b>\$26,873,271</b>	<b>1,522.7</b>
Request Above/(Below) Recommendation	\$16,630	\$0	\$16,630	\$0	\$0	0.0

### REQUEST/RECOMMENDATION DESCRIPTIONS

**S1/BA3 SUPPORT FOR STATE PARK AT SWEETWATER LAKE:** The request includes \$93,209 cash funds and 0.3 FTE for FY 2021-22. The Department also requests \$426,921 cash funds and 3.0 FTE in FY 2022-23, annualizing to \$535,218 cash funds in FY 2023-24. Funding would come from the Parks and Outdoor Recreation Cash Fund.

Staff recommends \$76,579 cash funds and 0.3 FTE for FY 2021-22, which differs from the Department's request by excluding centrally appropriated costs for FY 2021-22, in line with the Committee's common policy. Staff will address the FY 2022-23 impact during figure setting.

**S2 ROLL-FORWARD S.B. 21-249 APPROPRIATION:** The Department requests a supplemental add-on to provide roll-forward authority through FY 2022-23 for a section of the appropriations clause in S.B. 21-249 (Keep Colorado Wild). Staff recommends denial of the request.

## PRIORITIZED SUPPLEMENTAL REQUESTS

### S1 SUPPORT FOR STATE PARK AT SWEETWATER LAKE

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$93,209</b>	<b>\$76,579</b>
FTE	0.3	0.3
General Fund	0	0
Cash Funds	\$93,209	\$76,579
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of information that was not available when the original appropriation was made. The announcement to create the new state park did not occur until October 21, 2021.

**DEPARTMENT REQUEST:** The request includes \$93,209 cash funds and 0.3 FTE for FY 2021-22. This would annualize to \$426,921 cash funds and 3.0 FTE in FY 2022-23 and further increase to a total of \$535,218 cash funds in FY 2023-24. The funding source is the Parks and Outdoor Recreation Cash Fund.

**STAFF RECOMMENDATION:** Staff recommends \$76,579 cash funds and 0.3 FTE for FY 2021-22, which differs from the Department’s request by excluding centrally appropriated costs for FY 2021-22, in line with the Committee’s common policy. Staff will address the FY 2022-23 impact during figure setting.

**STAFF ANALYSIS:** On October 21, 2021, Colorado announced a partnership between Colorado Parks and Wildlife, the U.S. Forest Service, and Eagle Valley Land Trust (based in Edwards, CO) to create the 43rd state park at Sweetwater Lake in northeastern Garfield County.

The requested funds would support initial public access to the park (yet-to-be-named) by the end of the FY 2021-22 fiscal year via the hiring of a park manager to help develop and implement a park management plan. Funds would also support \$37,634 in operating expenses at the park and \$10,817 for capital outlay and law enforcement gear for the park manager.

The Department based its request on similarly-sized lake-based state parks, such as Sylvan Lake State Park. Staff concludes that the Department’s request is reasonable and the cash fund can support it. Now that the park exists, CPW will need funding and staff to manage it.

## S2 ROLL-FORWARD S.B. 21-249 APPROPRIATION

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of an unforeseen contingency.

**DEPARTMENT REQUEST:** The Department requests a supplemental add-on to provide roll-forward authority for section of the appropriations clause in S.B. 21-249 (Keep Colorado Wild). The appropriation in question is a cash fund appropriation to Parks and Wildlife (CPW) that is subsequently reappropriated to the Department of Revenue (DOR) for programming in the DRIVES system.<sup>1</sup> The DOR needs to update the DRIVES system to allow the purchase of the Keep Colorado Wild Pass during vehicle registration and transmit that information to CPW.

The problem is that the appropriation is only valid for FY 2021-22 and the DOR is not sure they will be able to complete the programming by the end of current fiscal year. The request cites “overall programming workload from legislation passed during the 2021 session” as the reason for this uncertainty. Thus, the DNR is asking the Committee to roll \$108,200 forward through FY 2022-23 by amending Section 10 of chapter 273 of the 2021 Session Laws. This would affect both the cash fund appropriation for DNR and the reappropriated funds for DOR.

**STAFF RECOMMENDATION:** Staff recommends denial of the request on the grounds that the request is not appropriate for the supplemental process. The Department is asking for spending authority in a future fiscal year because they currently lack this authority. In staff’s view, the supplemental process is for current year spending, not future year spending. Consequently, this request would be more appropriate as a budget amendment tied to the FY 2022-23 budget.

That said, staff believes it is reasonable for the DNR to request additional spending authority in FY 2022-23. There are couple ways to accomplish this. First, the Committee could approve the request for roll-forward authority. This is probably the simplest and easiest way to provide the Department with the budgetary flexibility it wants.

Another option is to adjust the FY 2022-23 budget to provide the Department with additional spending authority. During figure setting for next year’s budget, the Committee could reduce FY 2021-22 funding through a Long Bill add-on by an amount equal to what has already been spent at that time. The Committee could then provide the remainder of the appropriation in the FY 2022-23 Long Bill. This method keeps the out-year impact of legislation within the Long Bill.

<sup>1</sup> DRIVES = Driver License, Record, Identification, and Vehicle Enterprise Solution

**STAFF ANALYSIS**

Senate Bill 21-249 created the Keep Colorado Wild Pass for entry into state parks and other participating public lands. When implemented, every resident registering certain motor vehicles in the State would be assessed a fee and provided with a pass unless they decline to pay the fee at the time of registration. Statute requires implementation no earlier than January 1, 2023, but no later than January 1, 2024.

The bill appropriated \$504,646 to the DNR from the Parks and Outdoor Recreation Cash Fund. Of that amount, \$108,200 is reappropriated to the Department of Revenue (DOR) for programming in the DRIVES system. The DRIVES system is maintained and supported by a contractor called Fast Enterprises; the supporting Long Bill line item totals \$7.0 million cash funds in FY 2021-22.

Per the request, the DOR says its contractor may not be able to start and/or finish programming for the DNR by the end of FY 2021-22 because of overall workload resulting from bills enacted in the 2021 legislative session. During the FY 2019 session, the General Assembly passed 11 bills affecting the DRIVES line item; the 2020 session saw two bills, and the 2021 session saw 17 bills impacting the line item.

It is hard to say whether the DOR’s claim is valid as there may be other factors impacting the contractor’s ability to complete all required programming by the end of the current fiscal year. Staff suspects that the delay in programming for S.B. 21-249 may also stem from a much later deadline (January 1, 2024) than may be the case with other bills, reducing the urgency to get the programming done by June 30, 2022. Either way, the DNR is not responsible for DRIVES programming tasks and staff thinks it is reasonable to provide extra spending authority in FY 2022-23.

**STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS**

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

DEPARTMENT'S PORTION OF STATEWIDE SUPPLEMENTAL REQUEST	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
NPS1 Fleet true-up	(\$341,209)	(\$26,855)	(\$288,703)	(\$17,658)	(\$7,993)	0.0
<b>DEPARTMENT'S TOTAL STATEWIDE SUPPLEMENTAL REQUESTS</b>	<b>(\$341,209)</b>	<b>(\$26,855)</b>	<b>(\$288,703)</b>	<b>(\$17,658)</b>	<b>(\$7,993)</b>	<b>0.0</b>

**STAFF RECOMMENDATION:** The staff recommendation for this request is pending Committee action on common policy supplementals. Staff will include the corresponding appropriation in the Department's supplemental bill based on Committee action on common policy supplementals. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee at a later date to present the relevant analysis.

*JBC Staff Supplemental Recommendations - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Numbers Pages**

	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2021-22 Requested Change	FY 2021-22 Rec'd Change	FY 2021-22 Total w/Rec'd Change
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**DEPARTMENT OF NATURAL RESOURCES**  
**Dan Gibbs, Executive Director**

**S1/BA3 Staff and operating for Sweetwater Lake**

**(1) EXECUTIVE DIRECTOR'S OFFICE**

**(A) Administration**

Health, Life, and Dental	<u>16,712,961</u>	<u>18,769,338</u>	<u>14,086</u>	<u>0</u>	<u>18,769,338</u>
General Fund	2,151,198	3,587,245	0	0	3,587,245
Cash Funds	13,963,072	14,554,675	14,086	0	14,554,675
Reappropriated Funds	598,691	224,189	0	0	224,189
Federal Funds	0	403,229	0	0	403,229
Short-term Disability	<u>178,267</u>	<u>179,334</u>	<u>40</u>	<u>0</u>	<u>179,334</u>
General Fund	31,080	31,485	0	0	31,485
Cash Funds	141,472	136,753	40	0	136,753
Reappropriated Funds	5,715	6,205	0	0	6,205
Federal Funds	0	4,891	0	0	4,891
S.B. 04-257 Amortization Equalization Disbursement	<u>5,881,194</u>	<u>6,274,184</u>	<u>1,252</u>	<u>0</u>	<u>6,274,184</u>
General Fund	919,279	988,697	0	0	988,697
Cash Funds	4,784,922	4,921,127	1,252	0	4,921,127
Reappropriated Funds	176,993	203,487	0	0	203,487
Federal Funds	0	160,873	0	0	160,873



*JBC Staff Supplemental Recommendations - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2021-22 Requested Change	FY 2021-22 Rec'd Change	FY 2021-22 Total w/Rec'd Change
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>5,881,194</u>	<u>6,274,184</u>	<u>1,252</u>	<u>0</u>	<u>6,274,184</u>
General Fund	919,279	988,697	0	0	988,697
Cash Funds	4,784,922	4,921,127	1,252	0	4,921,127
Reappropriated Funds	176,993	203,487	0	0	203,487
Federal Funds	0	160,873	0	0	160,873
Vehicle Lease Payments	<u>4,043,946</u>	<u>4,847,036</u>	<u>0</u>	<u>0</u>	<u>4,847,036</u>
General Fund	283,220	368,895	0	0	368,895
Cash Funds	3,663,507	4,367,545	0	0	4,367,545
Reappropriated Funds	45,175	43,245	0	0	43,245
Federal Funds	52,044	67,351	0	0	67,351
<b>(5) DIVISION OF PARKS AND WILDLIFE</b>					
<b>(A) Colorado Parks and Wildlife Operations</b>					
State Park Operations	<u>36,662,606</u>	<u>38,372,397</u>	<u>76,579</u>	<u>76,579</u>	<u>38,448,976</u>
FTE	282.5	265.0	0.3	0.3	265.3
General Fund	125,001	200,625	0	0	200,625
Cash Funds	36,401,009	37,726,966	76,579	76,579	37,803,545
Reappropriated Funds	0	0	0	0	0
Federal Funds	136,596	444,806	0	0	444,806

*JBC Staff Supplemental Recommendations - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2021-22 Requested Change	FY 2021-22 Rec'd Change	FY 2021-22 Total w/Rec'd Change
<b>Total for S1/BA3 Staff and operating for</b>					
<b>Sweetwater Lake</b>	69,360,168	74,716,473	93,209	76,579	74,793,052
<i>FTE</i>	<u>282.5</u>	<u>265 .0</u>	<u>0.3</u>	<u>0.3</u>	<u>265.3</u>
General Fund	4,429,057	6,165,644	0	0	6,165,644
Cash Funds	63,738,904	66,628,193	93,209	76,579	66,704,772
Reappropriated Funds	1,003,567	680,613	0	0	680,613
Federal Funds	188,640	1,242,023	0	0	1,242,023
<b>Totals Excluding Pending Items</b>					
<b>NATURAL RESOURCES</b>					
<b>TOTALS for ALL Departmental line items</b>	310,314,585	334,054,889	93,209	76,579	334,131,468
<i>FTE</i>	<u>1,449.8</u>	<u>1,522.4</u>	<u>0.3</u>	<u>0.3</u>	<u>1,522.7</u>
General Fund	33,235,731	37,335,479	0	0	37,335,479
Cash Funds	231,746,764	262,297,967	93,209	76,579	262,374,546
Reappropriated Funds	6,874,194	7,540,179	0	0	7,540,179
Federal Funds	38,457,896	26,881,264	0	0	26,881,264