



Colorado General Assembly
Joint Budget Committee

JOINT BUDGET COMMITTEE STAFF FY 2023-24 BUDGET BRIEFING SUMMARY

Department of Natural Resources

*Division of Reclamation, Mining, and Safety, Oil and Gas Conservation
Commission, and State Board of Land Commissioners*

The Department of Natural Resources is responsible for developing, protecting, and enhancing Colorado's natural resources for the use and enjoyment of the State's present and future residents and visitors. The Department's FY 2022-23 appropriation represents approximately 1.3 percent of statewide operating appropriations and 0.3 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF NATURAL RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$34,499,914	\$0	\$30,632,980	\$225,000	\$3,641,934	255.1
TOTAL	\$34,499,914	\$0	\$30,632,980	\$225,000	\$3,641,934	255.1
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$34,499,914	\$0	\$30,632,980	\$225,000	\$3,641,934	255.1
R01 COGCC mission change	2,775,397	0	2,775,397	0	0	29.0
R14 SLB field ops capacity	78,012	0	78,012	0	0	1.0
Annualize prior year budget actions	662,465	0	566,959	0	95,506	0.0
Annualize prior year legislation	293,721	0	293,721	0	0	3.2
Indirect cost assessment	27,443	0	72,279	0	(44,836)	0.0
TOTAL	\$38,336,952	\$0	\$34,419,348	\$225,000	\$3,692,604	288.3
INCREASE/(DECREASE)	\$3,837,038	\$0	\$3,786,368	\$0	\$50,670	33.2
Percentage Change	11.1%	n/a	12.4%	0.0%	1.4%	13.0%

R01 COGCC MISSION CHANGE: The request, from the Oil and Gas Conservation Commission, includes an increase of \$2,775,397 cash funds from the Oil and Gas Conservation and Emergency Response Fund and 29.0 FTE in FY 2023-24 to increase capacity in response to recent changes to the division's mission as a result of rulemaking. The Department is requesting an additional \$549,729 cash funds for employee benefits for a total requested amount of \$3,325,126.

R14 SLB FIELD OPS CAPACITY: The request, from the State Land Board, includes an increase of \$78,012 cash funds from the State Land Board Trust Administration Fund and 1.0 FTE in FY 2023-24 to hire a Field Operations District Resource Specialist. The Department is also asking for an additional \$23,883 cash funds for employee benefits for a total requested amount of \$101,895.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The FY 2023-24 request includes a net increase of \$662,465 total funds for annualizations to prior year budget actions. The changes are outlined in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Prior year salary survey	\$656,550	\$0	\$566,290	\$0	\$90,260	0.0
Minimum wage adjustment	12,915	0	7,669	0	5,246	0.0
FY22-23 R5 SLB water res	(7,000)	0	(7,000)	0	0	0.0
TOTAL	\$662,465	\$0	\$566,959	\$0	\$95,506	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The FY 2023-24 request includes a net increase of \$293,721 cash funds and 3.2 FTE to reflect the impact of H.B. 22-1348 (Oversight of Chemicals Used in Oil & Gas).

INDIRECT COST ASSESSMENT: The request includes a net increase to indirect costs of \$27,443 total funds across these Divisions.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

SEVERANCE TAX OPERATIONAL FUND UPDATE AND HOUSE BILL 22-1391: This issue brief summarizes the current Severance Tax Operational Fund revenue and distribution amounts based on the September 2022 economic forecast from Legislative Council Staff. The brief also reviews the changes in how severance taxes are calculated and collected as a result of House Bill 22-1391.

R-01 COGCC MISSION CHANGE OPERATIONAL AND REGULATORY SUPPORT: Senate Bill 19-181 changed the Colorado Oil and Gas Conservation Commission’s (COGCC) mission from fostering to regulating oil and gas development and production. It further prescribed rulemaking for the Division to undertake to carry out that mission change. This issue brief describes the Department’s request for funding to hire staff to implement changes based on that rulemaking.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021 and 2022 legislative sessions, the General Assembly allocated one-time funding to the Department of Natural Resources that included \$118,250,000 originating as state General Fund and \$77,000,000 originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2022.