

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2011-12 STAFF BUDGET BRIEFING**

**DEPARTMENT OF NATURAL RESOURCES**

**(Executive Director's Office, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife.)**

**JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:  
Viktor Bojilov, JBC Staff  
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For Further Information Contact:

Joint Budget Committee Staff  
200 E. 14th Avenue, 3rd Floor  
Denver, Colorado 80203  
Telephone: (303) 866-2061  
TDD: (303) 866-3472

**FY 2011-12 BUDGET BRIEFING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

**DEPARTMENT OF NATURAL RESOURCES**

**(Executive Director's Office, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)**

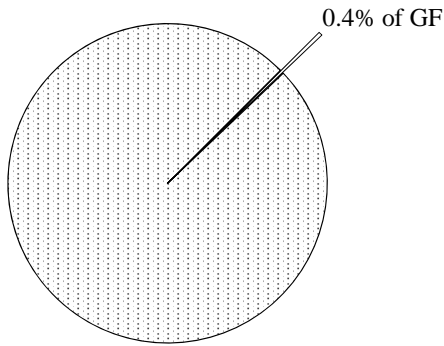
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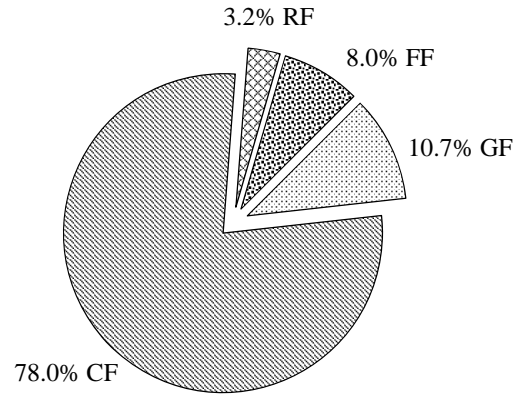
**FY 2011-12 Joint Budget Committee Staff Budget Briefing  
Department of Natural Resources**

**GRAPHIC OVERVIEW**

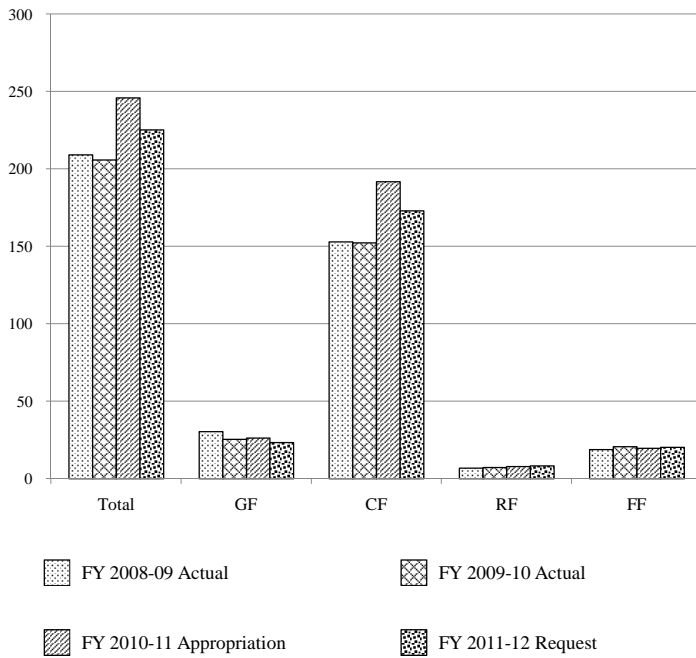
**Department's Share of Statewide General Fund**



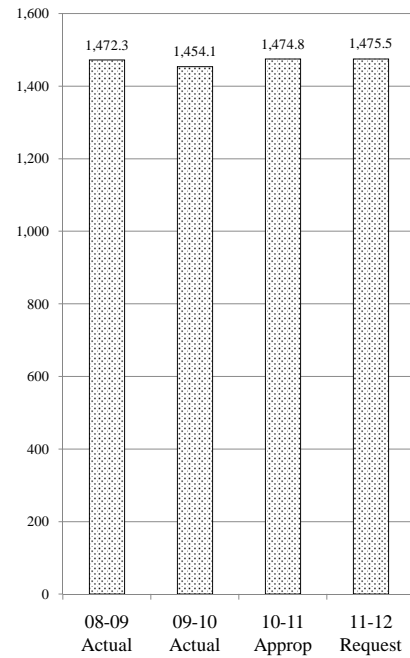
**Department Funding Sources**



**Budget History  
(Millions of Dollars)**

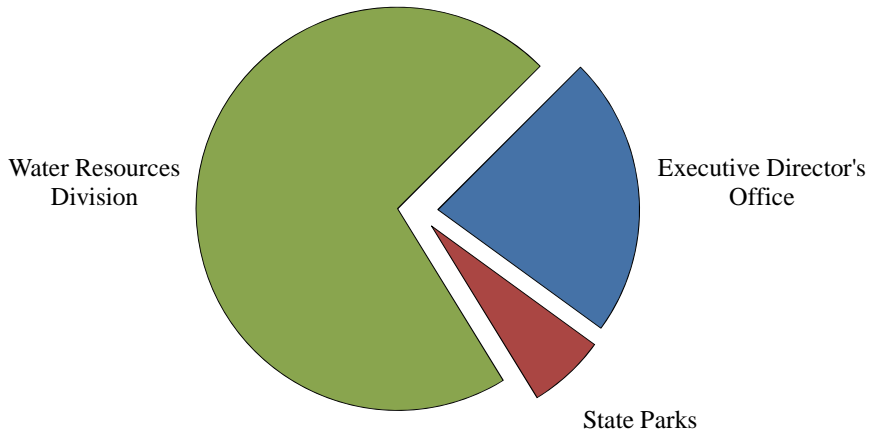


**FTE History**

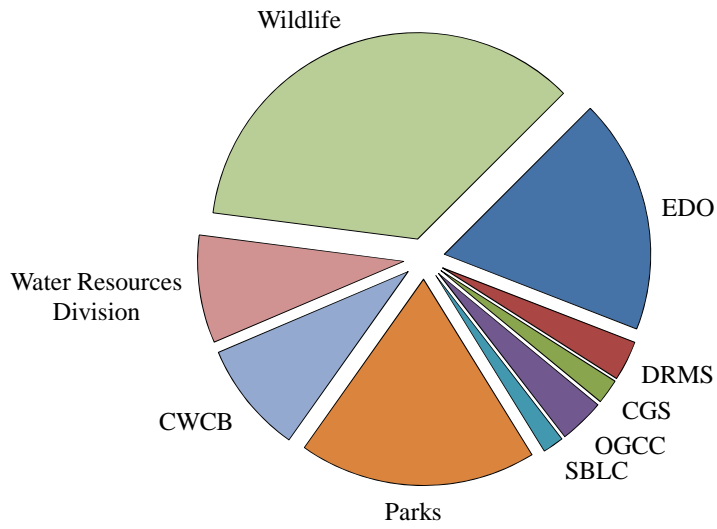


Unless otherwise noted, all charts are based on the FY 2010-11 appropriation.

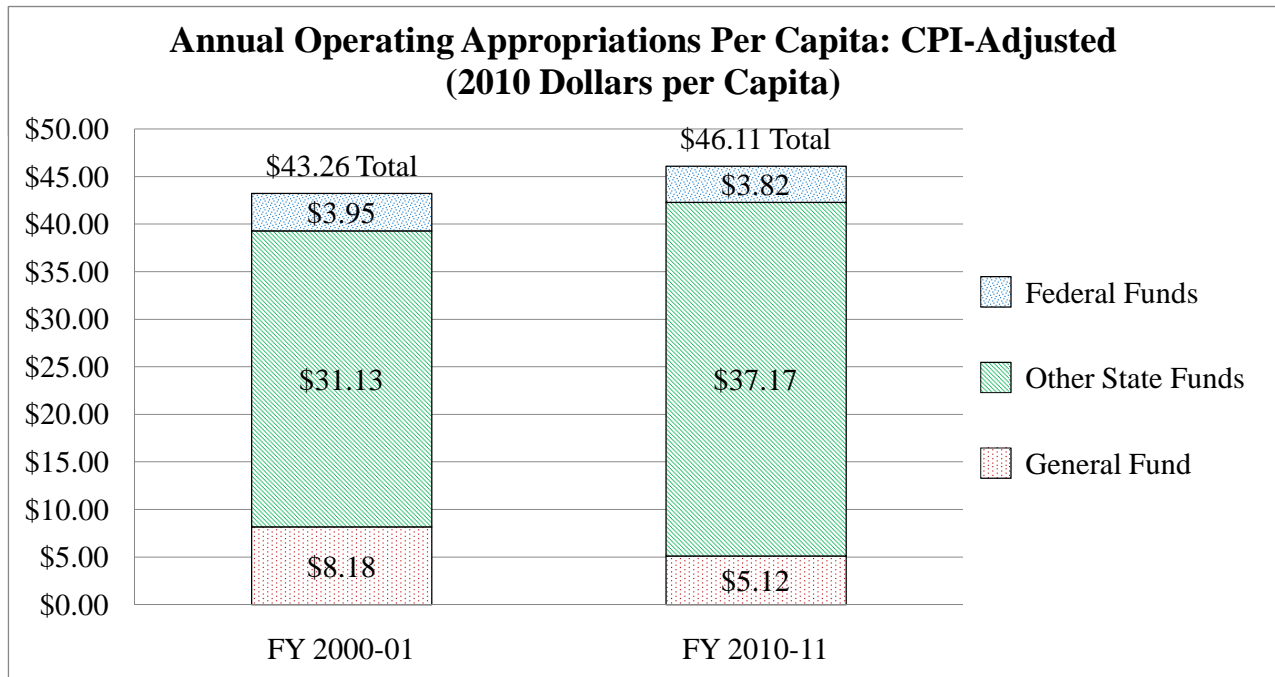
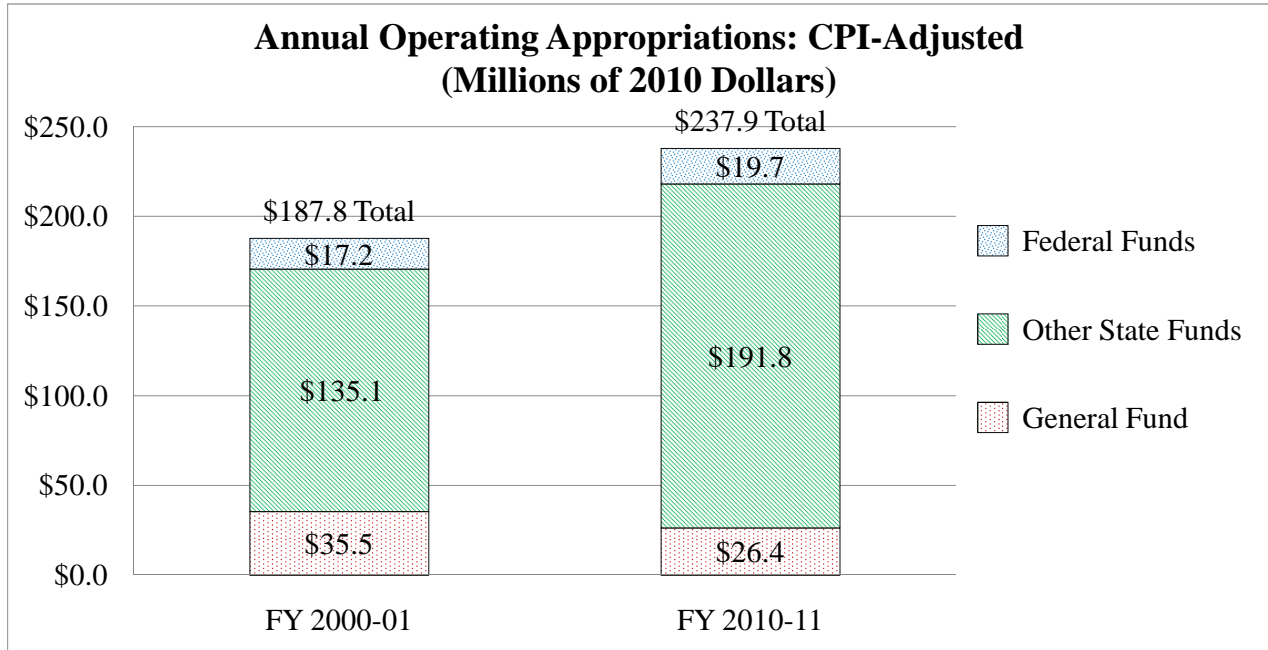
### Distribution of General Fund by Division



### Distribution of Total Funds by Division



**FY 2011-12 Joint Budget Committee Staff Budget Briefing**  
**Department of Natural Resources**  
**COMPARISON OF FY 2000-01 AND FY 2010-11 APPROPRIATIONS**



NOTES: (1) All appropriations above *exclude* duplicate appropriations (i.e., these appropriations exclude reappropriated funds for FY 2010-11 and, for FY 2000-01, exclude amounts that would have been classified as reappropriated funds). For this department, these excluded amounts primarily reflect transfers from the Department of Human Services and the transfer of state and federal funds within this department to support the State Charter School Institute, the Colorado School for the Deaf and the Blind, and school finance-related administrative line items.

(2) For the purpose of providing comparable figures, FY 2000-01 appropriations are adjusted to reflect changes in the Denver-Boulder-Greeley consumer price index (CPI) from 2000 to 2010. Based on the Legislative Council Staff September 2010 Economic and Revenue Forecast, the CPI is projected to increase 21.9 percent over this period.

(3) In the per capita chart, above, appropriations are divided by the Colorado population (for 2000 and 2010, respectively). Based on the Legislative Council Staff September 2010 Economic and Revenue Forecast, Colorado population is projected to increase by 18.9 percent over this period.

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**Department of Natural Resources**  
**(Executive Director's Office, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)**

**DEPARTMENT OVERVIEW**

**Key Responsibilities**

- The **Division of Reclamation, Mining, and Safety** regulates the development and reclamation of mining sites (this division will be discussed in a separate briefing).
- The **Colorado Geological Survey** seeks to enhance the economic vitality of the state, protect citizens from adverse conditions and to provide information using geological tools (this division will be discussed in a separate briefing).
- The **Oil and Gas Conservation Commission** promotes responsible development of oil and gas (this division will be discussed in a separate briefing).
- The **State Board of Land Commissioners** manages state-owned lands for agriculture, minerals development, and commercial purposes, to benefit public schools and other trust beneficiaries (this division will be discussed in a separate briefing).
- The division of **Parks and Outdoor Recreation** manages 42 state parks.
- The **Colorado Water Conservation Board** promotes conservation of the state's water resources to ensure maximum use and flood prevention.
- The **Water Resources Division** ("State Engineer's Office") administers and enforces water rights throughout the state.
- The **Division of Wildlife** manages the state's 960 game and non-game wildlife species through the issuance of hunting and fishing licenses, the enforcement of wildlife regulations, and the administration of more than 295 state wildlife areas.

**Factors Driving the Budget**

Funding for the entire department consists of 10.7 percent General Fund, 78.0 percent cash funds, 3.2 percent reappropriated funds, and 8.0 percent federal funds.

Funding for the divisions covered in this packet (Executive Director's Office, Parks and Outdoor Recreation, the Colorado Water Conservation Board, the Water Resources Division, and the Division of Wildlife) consists of 12.0 percent General Fund, 78.0 percent cash funds, 3.1 percent reappropriated funds, and 6.9 percent federal funds.

**State Parks**

Funding for the state parks operating budget contained in the FY 2010-11 Long Bill (H.B. 10-1376) totaled \$45.8 million. The funding for the operating budget is primarily a mixture of the Parks Cash Fund (\$18.6 million), GOCO and 10 percent Lottery direct distributions (\$10.9 million), Operational Account for the Severance Tax Trust Fund (\$6.2 million, this number includes funding for aquatic

nuisance species), various dedicated cash funds (\$6.1 million, including Off-highway Vehicle Recreation Fund and the Snowmobile Recreation Fund), federal funds (\$2.4 million), and General Fund (\$1.6 million). Since FY 2007-08, State Parks has experienced a steep reduction in General Fund support, which was \$6.6 million in FY 2007-08 and is expected to be zero for FY 2011-12. The following table shows the level of General Fund relative to total funds for the Division of Parks and Outdoor Recreation.

<b>State Parks Operating Funding Mix<sup>1</sup></b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimated</b>	<b>FY 2011-12 Request</b>
General Fund - State Parks	\$6,644,343	\$6,989,032	\$2,601,945	\$2,602,675	\$0
<i>Percent Change</i>	<i>n/a</i>	<i>5.2%</i>	<i>(62.8)%</i>	<i>0.0%</i>	<i>(100.0)%</i>
Total Funds - State Parks Operating	\$38,452,101	\$42,515,976	\$42,801,648	\$51,101,750	\$51,860,907
<i>Percent Change</i>	<i>n/a</i>	<i>10.6%</i>	<i>0.7%</i>	<i>19.4%</i>	<i>1.5%</i>
State Parks Visitation	11,834,228	11,955,691	12,295,354	12,651,919	13,018,824
<i>Percent Change</i>	<i>n/a</i>	<i>1.0%</i>	<i>2.8%</i>	<i>2.9%</i>	<i>2.9%</i>

/1 Includes centrally appropriated items funded in the Executive Director's Office.

Funding of state parks capital construction budget is primarily a mixture of lottery and federal funds.

<b>State Parks Capital Construction Appropriations</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12 Request</b>
Lottery Funds	\$9,675,500	\$8,154,000	\$12,529,000	\$5,840,475	\$8,070,768
GOCO Funds	4,475,000	8,005,000	6,590,000	9,416,574	5,419,681
Other Cash Funds	1,800,000	3,331,000	3,331,000	300,000	300,000
Federal Funds	<u>4,237,500</u>	<u>5,197,000</u>	<u>4,935,000</u>	<u>1,405,500</u>	<u>5,024,551</u>
Total Funds	\$20,188,000	\$24,687,000	\$27,385,000	\$16,962,549	\$18,815,000

### **Great Outdoors Colorado (GOCO) Board Grants**

Both the Division of Parks and Outdoor Recreation and the Division of Wildlife receive funding from the GOCO Board, as established in Article XXVII of the Colorado Constitution. The GOCO grants are not subject to legislative authority and thus are reflected for information only. The GOCO grants to the Division of Parks and Outdoor Recreation are used for developing new parks (capital) as well as enhancing and maintaining existing parks (operating). The GOCO grants to the Division of Wildlife are used for species protection, habitat development, watchable wildlife, and wildlife education.

<b>Great Outdoors Colorado Board Grants</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Request</b>
Parks Capital Budget	\$8,318,000	\$760,000	\$3,396,735	\$9,416,574	\$5,419,681
Parks Operating Budget	<u>4,025,000</u>	<u>3,864,000</u>	<u>4,212,370</u>	<u>5,935,000</u>	<u>6,135,000</u>
Total GOCO Grants to Parks	\$12,343,000	\$4,624,000	\$7,609,105	\$15,351,574	\$11,554,681
<i>Percent of Parks' Expenditures</i>	<i>21.0%</i>	<i>6.8%</i>	<i>10.8%</i>	<i>22.6%</i>	<i>16.4%</i>
Wildlife Capital Budget	\$13,940,282	\$11,895,410	\$4,936,862	\$2,442,183	\$2,400,000
Wildlife Operating Budget	<u>6,421,006</u>	<u>6,167,923</u>	<u>6,218,356</u>	<u>6,300,000</u>	<u>6,300,000</u>
Total Grants to Wildlife	\$20,361,288	\$18,063,333	\$11,155,218	\$8,742,183	\$8,700,000
<i>Percent of DOW Expenditures</i>	<i>17.7%</i>	<i>14.6%</i>	<i>9.0%</i>	<i>9.2%</i>	<i>9.2%</i>

### **Division of Water Resources General Fund**

This division, also referred to as the Office of the State Engineer, receives 90.1 percent of the Department's total General Fund appropriation. The majority of the Division's General Fund appropriation is associated with personal services costs. In FY 2006-07, well permit fees authorized by S.B. 03-181 sunsetted and \$3.2 million in cash funding was replaced with General Fund.

<b>Division of Water Resources Long Bill General Fund</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Approp.</b>	<b>FY 11-12 Request</b>
General Fund - Division <sup>1/</sup>	\$23,402,287	\$23,680,696	\$23,241,488	\$23,816,658	\$23,535,829
<i>Percent Change</i>	<i>0.0%</i>	<i>1.2%</i>	<i>-1.9%</i>	<i>2.5%</i>	<i>-1.2%</i>
Total Department General Fund	\$30,059,279	\$30,552,851	\$25,533,680	\$26,419,333	\$23,535,829
<i>Div. GF as % of Department GF</i>	<i>77.9%</i>	<i>77.5%</i>	<i>91.0%</i>	<i>90.1%</i>	<i>100.0%</i>

<sup>1/</sup> Includes centrally appropriated items funded in the Executive Director's Office.

### **Division of Wildlife**

The Division of Wildlife receives revenues totaling approximately \$117.4 million. Approximately \$73.8 million (63.0 percent) of total revenues to the Division come from hunting and fishing license sales. About \$41.8 million (57.0 percent) of hunting and fishing license revenues come from the sale of non-resident big game hunting licenses. The table below shows total revenue to the Division.

<b>Division of Wildlife Total Revenue Sources</b>	<b>FY 06-07 Actual</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>
Hunting and Fishing Licenses	\$81,000,000	\$80,100,000	\$78,200,000	\$73,800,000
Federal Funds	15,300,000	20,300,000	21,300,000	21,200,000



<b>Division of Wildlife Total Revenue Sources</b>	<b>FY 06-07 Actual</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>
GOCO Distributions	8,600,000	20,400,000	18,100,000	11,200,000
Other	<u>13,700,000</u>	<u>15,200,000</u>	<u>11,800,000</u>	<u>11,200,000</u>
<b>Total DOW Revenues</b>	<b>\$118,600,000</b>	<b>\$136,000,000</b>	<b>\$129,400,000</b>	<b>\$117,400,000</b>

The Division of Wildlife's operating funding of \$99.3 million (\$87.2 million plus approximately \$12.1 million in centrally appropriated line items) represents 40.4 percent of the Department's total operating budget. The following table shows the Division's various operating revenue sources (excluding centrally appropriated line items).

<b>Division of Wildlife Operating Appropriations by Revenue Source</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Approp.</b>	<b>FY 11-12 Request</b>
Wildlife Cash Fund	\$64,516,941	\$58,004,074	\$62,766,966	\$62,862,942
Federal Funds	12,419,269	15,068,571	10,814,973	10,875,308
GOCO Board Grants	6,167,923	6,218,356	6,200,000	6,200,000
Habitat Partnership Cash Fund	2,146,531	2,236,253	2,500,000	2,500,000
Wildlife Aquatic Nuisance Species (Severance Tax Operational Account S.B. 08- 226)	1,364,172	1,872,538	1,304,544	1,304,544
Operational Account of Severance Tax	1,292,059	1,345,098	1,620,356	0
Cash Grants	1,479,966	1,216,449	150,000	150,000
Public Education Donation	1,078,791	1,047,553	1,100,000	1,100,000
Colorado Outdoor Magazine Subscriptions	493,156	470,474	550,000	555,000
Non-game Wildlife Voluntary Tax Contributions	0	0	0	0
Other	<u>160,707</u>	<u>167,713</u>	<u>215,000</u>	<u>215,000</u>
<b>Total DOW Operating Appropriations</b>	<b>\$91,119,515</b>	<b>\$87,647,079</b>	<b>\$87,221,839</b>	<b>\$85,762,794</b>

### **Colorado Water Conservation Board Construction Fund**

The Colorado Water Conservation Board Construction Fund (Construction Fund), created in Section 37-60-121 (1) (a), C.R.S., provides loans and grants for projects that will increase the beneficial consumptive use of Colorado's undeveloped compact entitled waters. Section 37-60-121 (1) (b) (IV), C.R.S., instructs the Colorado Water Conservation Board (CWCB) to participate in only those projects that can repay the board's investment, unless specifically authorized by the legislature

through a bill. Section 37-60-122 (1) (b), C.R.S., authorizes the CWCB to make loans without General Assembly approval in amounts not to exceed ten million dollars. In FY 2010-11, H.B. 10-1250 appropriated \$13.2 million for various water related projects including \$12.0 million for the purchase of all or a portion of Colorado's allotment of water from the Animas-La Plata Project. The \$12.0 million was transferred to the Construction Fund from the Perpetual Base Account of the Severance Tax Trust Fund.

The Construction Fund receives revenues from the return of principal and interest on outstanding loans, interest earned on the cash balance of the fund through investments by the State Treasurer, and federal mineral lease (FML) fund distributions. Senate Bill 08-218 modified the allocation of the state's portion of FML revenue by creating separate distribution formulas for FML bonus payment revenues as well as non-bonus (rent and royalty) FML revenues. Senate Bill 08-218 amended statute so that beginning with FY 2008-09, the Construction Fund receives a distribution of 10.0 percent of non-bonus revenue, up to \$14.0 million. The amount transferred is allowed to grow by 4 percent annually in succeeding years.

The Construction Fund also pays for the administrative expenses of the CWCB. For FY 2010-11 the CWCB estimates that it will need \$7.5 million for salaries, operating costs, and other related expenditures. In addition the Construction Fund provides funding for non-reimbursable projects, an estimated \$1.3 million in FY 2010-11. The CWCB anticipates providing loans for new water projects totaling \$30.0 million in FY 2010-11.

<b>Colorado Water Conservation Board Construction Fund</b>				
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Request</b>
Cash Balance - Beginning of Year	\$13,282,580	\$19,305,372	\$23,599,996	\$4,000,808
Revenues	45,300,023	27,843,875	28,064,773	29,523,208
Animas-La Plata Project Transfer	0	0	12,000,000	12,000,000
<i>CWCB Operations</i>	<i>(6,255,134)</i>	<i>(6,290,891)</i>	<i>(7,451,373)</i>	<i>(7,500,000)</i>
<i>Non-Reimbursable Investments &amp; Cash Replenishment</i>	<i>(4,724,563)</i>	<i>(6,412,364)</i>	<i>(3,525,000)</i>	<i>(4,137,309)</i>
<i>Animas-La Plata Expenditure</i>	<i>0</i>	<i>0</i>	<i>(12,000,000)</i>	<i>(12,000,000)</i>
<i>Loan Issuances</i>	<i>(18,047,534)</i>	<i>(10,845,996)</i>	<i>(36,687,588)</i>	<i>(16,000,000)</i>
<i>Total Expenditures</i>	<u><i>(29,027,231)</i></u>	<u><i>(23,549,251)</i></u>	<u><i>(59,663,961)</i></u>	<u><i>(39,637,309)</i></u>
Ending FY Balance without transfer	\$29,555,372	\$23,599,996	\$4,000,808	\$5,886,707
Transfer to the General Fund in S.B. 09-208	<u>(10,250,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance after transfer	\$19,305,372	\$23,599,996	\$4,000,808	\$5,886,707

### **Perpetual Base Account of the Severance Tax Trust Fund**

The Perpetual Base Account of the Severance Tax Trust Fund is authorized in Section 39-29-109 (2) (a), C.R.S., to be used for the same purposes as the Colorado Water Conservation Board Construction Fund. Specifically, to fund directly or provide loans for construction, rehabilitation, enlargement, or improvement of water projects. The Severance Tax Perpetual Base Account receives half of receipts to the severance tax trust fund (one fourth of all severance tax income). This fund is a revolving loan account, as such no permanent programs depend on this fund.

<b>Perpetual Base Account of the Severance Tax Trust Fund</b>				
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Request</b>
Cash Balance - Beginning of Year	\$18,058,960	\$40,454,321	\$4,865,510	\$1,620,741
<i>Receivables/Interest Earnings</i>	<i>11,071,624</i>	<i>7,062,895</i>	<i>7,426,920</i>	<i>9,658,044</i>
<i>Severance Tax</i>	<i>71,253,177</i>	<i>17,856,646</i>	<i>39,570,111</i>	<i>44,346,829</i>
<i>Principal Repayment</i>	<i>3,099,696</i>	<i>4,151,218</i>	<i>3,758,200</i>	<i>5,046,214</i>
<i>Previously Obligated Loans <sup>1/</sup></i>	<i>0</i>	<i>36,000,000</i>	<i>0</i>	<i>0</i>
<i>Total Revenues</i>	<i>85,424,497</i>	<i>65,070,759</i>	<i>50,755,231</i>	<i>59,051,087</i>
Loan Issuances/Drought Grants <sup>2/</sup>	<u>(28,029,136)</u>	<u>(36,659,570)</u>	<u>(33,000,000)</u>	<u>(43,000,000)</u>
Ending FY Balance without transfer	\$75,454,321	\$68,865,510	\$22,620,741	\$17,671,828
Transfer to the General Fund in S.B. 09-208	(20,000,000)	0	0	0
Transfers to the General Fund in S.B. 09-279	(15,000,000)	(62,000,000)	0	0
Transfer to the General Fund in H.B. 10-1327	0	(2,000,000)	0	0
Transfer to the General Fund in H.B. 10-1388	0	0	(11,000,000)	0
Department Recommendation for Additional Transfers	<u>0</u>	<u>0</u>	<u>(10,000,000)</u>	<u>(15,000,000)</u>
Ending Balance after transfer	\$40,454,321	\$4,865,510	\$1,620,741	\$2,671,828

1/ \$36.0 million was set aside from moneys for already authorized projects.

2/ For FY 2009-10, includes \$35.0 million necessary to back-fill the Arkansas Valley Conduit loan amount, which was transferred to the General Fund. Also includes \$1,288,362 in small project loans which the CWCB Board approved in 2009. For FY 2010-11, includes an obligation of \$12.0 million towards the purchase of Animas-La Plata water per H.B. 10-1250 and \$4.0 million to pay back previously obligated loans from FY 2009-10. For FY 2011-12, includes obligation of \$12.0 million towards the purchase of Animas-La Plata project water per H.B. 10-1250.

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**Department of Natural Resources**  
**(Executive Director's Office, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)**

**DECISION ITEM PRIORITY LIST**

Note: This table includes all Department of Natural Resources decision items. However, the full decision item text is shown only for those decision items that affect the sections of the budget covered in this presentation. In some cases, only a portion of the total decision item amount shown will apply to the budget sections addressed in this packet.

<b>Decision Item</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
1 Coal Regulatory Program Refinance	0	273,306	0	(273,306)	0	0.0
2 San Juan Forecaster	0	0	28,179	0	28,179	0.7
3 Modify Footnote Regarding Use of Emergency Funds	0	0	0	0	0	0.0
4 <b>Snowmobile Program Costs Refinance</b> <b>Parks and Outdoor Recreation.</b> The Department requests to refinance the spending authority for the administration of the Snowmobile Program from Parks Cash Fund to Snowmobile Recreation Fund in the amount of \$65,717. The Department would achieve this refinance by changing the State Parks Operations line item letternote annotation by increasing the funding from the Snowmobile Recreation Fund and decreasing the funding from the Parks Cash Fund. <i>Statutory Authority: Section 33-14-106, C.R.S.</i>	0	0	0	0	0	0.0
5 <b>Increased Dues</b> <b>Colorado Water Conservation Board.</b> The Department requests \$13,076 cash funds (CWCB Construction Fund) to pay the increase in dues assessed by 1) the Western States Water Council (WSWC), and 2) the Upper Colorado River Commission (UCRC). In addition, the CWCB requests to merge the Interstate Compacts line item and the Western States Water Council Dues line item in the Operating Expenses line item. <i>Statutory Authority: Section 37-62-101 and 105, C.R.S.</i>	0	13,076	0	0	13,076	0.0
6 <b>Adjustments to Leased Space</b> <b>Executive Director's Office and Parks and Outdoor Recreation.</b> The Department is requesting an increase of \$10,973 total funds for leased space. This request includes an increase of \$12,773 in the EDO and a reduction of \$1,800 in State Parks. This request represents the Department's estimate of leased space adjustments for FY 2011-12. <i>Statutory Authority: Section 24-75-112 (1), C.R.S., and Section 37-60-119, C.R.S.</i>	0	10,124	0	849	10,973	0.0

Decision Item	GF	CF	RF	FF	Total	FTE
7	0	0	0	0	0	0.0
<p><b>River Outfitters Refinance</b></p> <p><b>Parks and Outdoor Recreation.</b> The Department requests a net-zero re-organization of the budget for the River Outfitters Regulation program in order to reflect program costs in a more transparent manner. The Department requests to do this by moving \$68,500 cash funds (\$58,500 from the Parks and Outdoor Recreation Cash Fund and \$10,000 from the River Outfitters Cash Fund) and 0.5 FTE from the State Parks Operations line item to the River Outfitters Regulation line item. <i>Statutory Authority: Section 33-32-111, C.R.S.</i></p>						
NP-1	941	13,549	163	135	14,788	0.0
<p><b>Printing of Statewide Warrants and Mainframe Documents</b></p> <p><b>Multiple Divisions.</b> This statewide decision item is submitted through the Department of Personnel (DPA) in order to transition statewide printing services for certain types of printing jobs from the Office of Information Technology (OIT) to DPA. <i>Statutory Authority: Section 24-30-1101 through 1102, C.R.S.</i></p>						
<b>Total</b>	<b>941</b>	<b>310,055</b>	<b>28,342</b>	<b>(272,322)</b>	<b>67,016</b>	<b>0.7</b>

## BASE REDUCTION ITEM PRIORITY LIST

Base Reduction	GF	CF	RF	FF	Total	FTE
BRI-1	(2,688,388)	1,119,244	0	0	(1,569,144)	0.0
<p><b>Eliminate General Fund Support for State Parks</b></p> <p><b>Parks and Outdoor Recreation and Division of Wildlife.</b> The Department requests the elimination of General Fund appropriations to State Parks for FY 2011-12 and beyond totaling \$2.7 million. To offset the elimination of General Fund for State Parks, the Department is requesting an increase of \$1,325,000 cash funds (Tier I of the Operational Account of the Severance Tax Trust Fund), and a corresponding reduction in appropriations to the Division of Wildlife \$1,569,144 cash funds (Tier I of the Operational Account of the Severance Tax Trust Fund). Additionally, the Parks Board has approved moving forward with several Parks fee increases that are estimated to generate an additional \$1,363,388 cash funds. <i>Statutory Authority: Section 33-10-107, C.R.S., and Section 39-29-109.3, C.R.S.</i></p>						
BRI-2	(438,351)	0	0	0	(438,351)	0.0
<p><b>Statewide 2 Percent Across the Board General Fund Personal Services Reduction</b></p> <p><b>Various Line Items.</b> The Governor's Office requests a temporary, one-time 2 percent reduction to the General Fund portion of all personal services appropriations for FY 2011-12. <i>Statutory authority: Section 24-37-301, C.R.S., and Section 24-37-304, C.R.S.</i></p>						
BRI-3	0	0	0	0	0	0.0
<p><b>Severance Tax Perpetual Base Account Transfer</b></p> <p><b>Colorado Water Conservation Board.</b> The Department of Natural Resources proposes a transfer of \$15.0 million from the Severance Tax Perpetual Base Account to the General Fund in FY 2011-12 for budget balancing purposes. The Department also proposes a transfer of \$10.0 million from the Severance Tax Perpetual Base Account to the General Fund in FY 2010-11 for budget balancing purposes.</p>						
BRI-4	0	(3,252)	0	(12,236)	(15,488)	0.0
<p><b>IT Asset Maintenance Coal Adjustment</b></p> <p><b>Executive Director's Office.</b> The Department requests a reduction of \$15,488 (\$3,252 Operational Account of the Severance Tax Trust Fund and \$12,236 federal funds) in order to reconcile the Coal Regulatory Program's IT funding with the statewide consolidation of IT functions under the Office of Information Technology. <i>Statutory Authority: 34-33-102, C.R.S.</i></p>						
NP-2	(4,398)	(2,470)	0	(11,703)	(18,571)	0.0
<p><b>Pro-Rated Benefits.</b></p> <p><b>Executive Director's Office.</b> The Governor's Office requests an on-going change to Health, Life, and Dental (HLD) coverage policy for part-time employees. As part of this request, the state will only cover a pro-rated portion of HLD benefits based on the number of hours each employee works. <i>Statutory authority: Section 24-50-603 (7), C.R.S., Section 24-50-604 (1), C.R.S., and Section 24-50-604 (3), C.R.S..</i></p>						

<b>Base Reduction</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
NP-3	3,111	(462,371)	0	(3,464)	(462,724)	0.0
<b>Statewide Vehicle Lease</b>						
<b>Various Line Items.</b> This non-prioritized request reflects adjustments in costs for leased vehicles. Leases are managed on a centralized basis by the Department of Personnel (DPA). Adjustments are addressed by the Committee as part of common policy figure setting. For FY 2011-12, the Department of Personnel is proposing the replacement of 319 vehicles statewide, including 22 in the Department of Natural Resources. <i>Statutory authority: Section 24-30-1104 (2) (a), C.R.S., and Section 24-30-1117, C.R.S.</i>						
NP-4	(384,244)	(1,478,456)	(74,295)	(272,507)	(2,209,502)	0.0
<b>Statewide PERA Adjustment</b>						
<b>Various Line Items.</b> The Governor's Office requests continuation of S.B. 10-146, concerning a one-time modification to of contribution rates of the Public Employees' Retirement Association (PERA). This request would continue to require all State employees participating in PERA defined benefit and defined contribution pension plans to contribute an additional 2.5 percent of salary for retirement in FY 2011-12. <i>Statutory authority: Section 24-51-401, C.R.S.</i>						
<b>Total</b>	<b>(3,512,270)</b>	<b>(827,305)</b>	<b>(74,295)</b>	<b>(299,910)</b>	<b>(4,713,780)</b>	<b>0.0</b>

**FY 2011-12 Joint Budget Committee Staff Budget Briefing  
 Department of Natural Resources  
 (Executive Director's Office, Parks and Outdoor Recreation, Colorado Water Conservation  
 Board, Water Resources Division, Division of Wildlife)**

**OVERVIEW OF NUMBERS PAGES**

The following table summarizes the total change, in dollars and as a percentage, between the Department's FY 2010-11 appropriation and its FY 2011-12 request.

**Total Requested Change for Entire Department, FY 2010-11 to FY 2011-12  
 (millions of dollars)**

Category	GF	CF	RF	FF	Total	FTE
FY 2010-11 Appropriation	\$26.4	\$191.8	\$8.0	\$19.7	\$245.9	1,474.8
FY 2011-12 Request	23.5	173.1	8.5	20.3	225.4	1,475.5
Increase / (Decrease)	(\$2.9)	(\$18.7)	\$0.5	\$0.6	(\$20.5)	0.7
Percentage Change	-11.0%	-9.8%	6.3%	3.0%	-8.3%	0.0%

**Total Requested Change for EDO, Parks, CWCB, WRD, and DOW Only, FY 2010-11 to  
 FY 2011-12 (millions of dollars)**

Category	GF	CF	RF	FF	Total	FTE
FY 2010-11 Appropriation	\$26.4	\$172.0	\$6.9	\$15.3	\$220.6	1,262.5
FY 2011-12 Request	23.5	153.0	7.3	16.2	200.0	1,262.5
Increase / (Decrease)	(\$2.9)	(\$19.0)	\$0.4	\$0.9	(\$20.6)	0.0
Percentage Change	-11.0%	-11.0%	5.8%	5.9%	-9.3%	0.0%

The following tables highlight the individual changes contained in the Department's FY 2011-12 budget request, as compared with the FY 2010-11 appropriation, for the portion of the Department covered in this briefing packet. For additional detail, see the numbers pages in Appendix A.

**Requested Changes by Category of Request, FY 2010-11 to FY 2011-12**

Category	GF	CF	RF	FF	Total	FTE
<b>Department of Natural Resources (EDO, Parks, CWCB, Water, Wildlife)</b>	<b>\$26,419,333</b>	<b>\$171,980,789</b>	<b>\$6,887,765</b>	<b>\$15,310,548</b>	<b>\$220,598,435</b>	<b>1,262.5</b>
Common Policy Changes	\$437,678	\$1,038,358	\$189,150	\$633,177	\$2,298,363	0.0
Annualize S.B. 10-146 PERA Contribution Rates	402,879	1,276,122	103,143	131,459	1,913,603	0.0



Category	GF	CF	RF	FF	Total	FTE
Indirect Cost Adjustment	(234,910)	245,639	234,910	106,268	351,907	0.0
Parks - Anticipated Increase in Federal Boat Safety Grants	0	0	0	231,484	231,484	0.0
Parks - Annualize FY 2010-11 DI Trails Grants line item	0	200,000	0	0	200,000	0.0
Annualize FY 2010-11 Vehicle Replacements	4,252	78,346	0	0	82,598	0.0
Annualize FY 2010-11 DI-1 Leased Space Adjustments	19,884	21,441	0	558	41,883	0.0
Annualize S.B. 10-146 PERA Contribution Rates - IT Staff Consolidation	(1,958)	3,276	(3,217)	3,790	1,891	0.0
Annualize H.B. 10-1250 CWCBC Projects	0	(13,225,000)	0	0	(13,225,000)	0.0
Annualize H.B. 10-1398 Species Conservation Trust Fund	0	(8,000,000)	0	0	(8,000,000)	0.0
Eliminate Law Enforcement Equipment line item	0	(126,780)	0	0	(126,780)	0.0
Annualize S.B. 10-71 Aspen Leaf Lifetime Pass	0	(8,800)	0	0	(8,800)	0.0
Water - Anticipated Reduction in Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,770)</u>	<u>(7,770)</u>	<u>0.0</u>
<b>Department of Natural Resources Base Request</b>	<b>27,047,158</b>	<b>153,483,391</b>	<b>7,411,751</b>	<b>16,409,514</b>	<b>204,351,814</b>	<b>1,262.5</b>
NP-1 Print Statewide Warrants	941	12,890	163	0	13,994	0.0
CWCBC DI-5 Increased Dues	0	13,076	0	0	13,076	0.0
EDO, Parks DI-6 Leased Space Adjustments	0	10,124	0	849	10,973	0.0
Base Reduction Annualize 1% to 2% PS Reduction	(76,321)	0	76,321	0	0	0.0
NP-4 Statewide PERA Adjustment	(384,244)	(1,202,478)	(66,881)	(205,845)	(1,859,448)	0.0
BRI-1 Eliminate General Fund for State Parks	(2,688,388)	1,119,244	0	0	(1,569,144)	0.0
NP-3 Statewide Vehicle Lease	3,111	(462,371)	0	(3,464)	(462,724)	0.0
BRI-2 2% GF Personal Services Base Reduction	(362,030)	0	(76,321)	0	(438,351)	0.0
NP-2 Pro-Rated Benefits	(4,398)	(2,470)	0	(11,703)	(18,571)	0.0
BRI-4 IT Asset Maintenance Coal Adjustment	<u>0</u>	<u>(3,252)</u>	<u>0</u>	<u>(12,236)</u>	<u>(15,488)</u>	<u>0.0</u>

Category	GF	CF	RF	FF	Total	FTE
<b>Department of Natural (EDO, Parks, CWCB, Water, Wildlife) Resources Total Request</b>	<b>\$23,535,829</b>	<b>\$152,968,154</b>	<b>\$7,345,033</b>	<b>\$16,177,115</b>	<b>\$200,026,131</b>	<b>1,262.5</b>
<b>Change</b>	<b>(\$2,883,504)</b>	<b>(\$19,012,635)</b>	<b>\$457,268</b>	<b>\$866,567</b>	<b>(\$20,572,304)</b>	<b>0.0</b>
<b>Percent Change</b>	<b>-10.9%</b>	<b>-11.1%</b>	<b>6.6%</b>	<b>5.7%</b>	<b>-9.3%</b>	<b>0.0%</b>

**Requested Changes, FY 2010-11 to FY 2011-12 by Division**

Category	GF	CF	RF	FF	Total	FTE
<b>(1) Executive Director's Office Current Appropriation</b>	<b>\$5,944,984</b>	<b>\$30,849,587</b>	<b>\$6,591,738</b>	<b>\$1,828,354</b>	<b>\$45,214,663</b>	<b>43.8</b>
Common Policy Changes	\$437,678	\$1,038,358	\$189,150	\$633,177	\$2,298,363	0.0
Annualize S.B. 10-146 PERA Contribution Rates	0	0	103,143	0	103,143	0.0
Annualize FY 2010-11 Vehicle Replacements	4,252	78,346	0	0	82,598	0.0
Annualize S.B. 10-146 PERA Contribution Rates - IT Staff Consolidation	17,624	56,885	(3,217)	3,790	75,082	0.0
Annualize FY 2010-11 DI-1 Leased Space Adjustments	19,884	21,441	0	558	41,883	0.0
Indirect Cost Adjustment	(234,910)	0	234,910	0	0	0.0
Annualize H.B. 10-1398 Species Conservation Trust Fund	<u>0</u>	<u>(8,000,000)</u>	<u>0</u>	<u>0</u>	<u>(8,000,000)</u>	<u>0.0</u>
<b>Executive Director's Office Base Request</b>	<b>6,189,512</b>	<b>24,044,617</b>	<b>7,115,724</b>	<b>2,465,879</b>	<b>39,815,732</b>	<b>43.8</b>
DI-6 Leased Space Adjustments	0	11,924	0	849	12,773	0.0
NP-1 Print Statewide Warrants	0	0	163	0	163	0.0
BRI-1 Eliminate General Fund for State Parks	(994,723)	994,723	0	0	0	0.0
Base Reduction Annualize 1% to 2% PS Reduction	(76,321)	0	76,321	0	0	0.0
NP-3 Statewide Vehicle Lease	3,111	(462,371)	0	(3,464)	(462,724)	0.0
BRI-2 2% GF Personal Services Base Reduction	0	0	(76,321)	0	(76,321)	0.0
NP-4 Statewide PERA Adjustment	0	0	(66,881)	0	(66,881)	0.0
NP-2 Pro-Rated Benefits	(4,398)	(2,470)	0	(11,703)	(18,571)	0.0
BRI-4 IT Asset Maintenance Coal Adjustment	<u>0</u>	<u>(3,252)</u>	<u>0</u>	<u>(12,236)</u>	<u>(15,488)</u>	<u>0.0</u>
<b>(1) Executive Director's Office Total Request</b>	<b>\$5,117,181</b>	<b>\$24,583,171</b>	<b>\$7,049,006</b>	<b>\$2,439,325</b>	<b>\$39,188,683</b>	<b>43.8</b>

Category	GF	CF	RF	FF	Total	FTE
<b>Change</b>	<b>(\$827,803)</b>	<b>(\$6,266,416)</b>	<b>\$457,268</b>	<b>\$610,971</b>	<b>(\$6,025,980)</b>	<b>0.0</b>
<b>Percent Change</b>	<b>-13.9%</b>	<b>-20.3%</b>	<b>6.9%</b>	<b>33.4%</b>	<b>-13.3%</b>	<b>0.0%</b>
<b>(6) Parks and Outdoor Recreation Current Appropriation</b>	<b>\$1,643,963</b>	<b>\$41,744,875</b>	<b>\$0</b>	<b>\$2,392,805</b>	<b>\$45,781,643</b>	<b>289.5</b>
Annualize S.B. 10-146 PERA Contribution Rates	\$51,232	\$305,116	\$0	\$0	\$356,348	0.0
Anticipated Increase in Federal Boat Safety Grants	0	0	0	231,484	231,484	0.0
Annualize FY 2010-11 DI Trails Grants line item	0	200,000	0	0	200,000	0.0
Indirect Cost Adjustment	0	201,755	0	(31,731)	170,024	0.0
Eliminate Law Enforcement Equipment line item	0	(126,780)	0	0	(126,780)	0.0
Annualize S.B. 10-146 PERA Contribution Rates - IT Staff Consolidation	(1,530)	(8,031)	0	0	(9,561)	0.0
Annualize S.B. 10-71 Aspen Leaf Lifetime Pass	<u>0</u>	<u>(8,800)</u>	<u>0</u>	<u>0</u>	<u>(8,800)</u>	<u>0.0</u>
<b>Parks and Outdoor Recreation Base Request</b>	<b>1,693,665</b>	<b>42,308,135</b>	<b>0</b>	<b>2,592,558</b>	<b>46,594,358</b>	<b>289.5</b>
NP-1 Print Statewide Warrants	0	10,365	0	0	10,365	0.0
BRI-1 Eliminate General Fund for State Parks	(1,693,665)	1,693,665	0	0	0	0.0
NP-4 Statewide PERA Adjustment	0	(366,254)	0	0	(366,254)	0.0
DI-6 Leased Space Adjustments	<u>0</u>	<u>(1,800)</u>	<u>0</u>	<u>0</u>	<u>(1,800)</u>	<u>0.0</u>
<b>(6) Parks and Outdoor Recreation Total Request</b>	<b>\$0</b>	<b>\$43,644,111</b>	<b>\$0</b>	<b>\$2,592,558</b>	<b>\$46,236,669</b>	<b>289.5</b>
<b>Change</b>	<b>(\$1,643,963)</b>	<b>\$1,899,236</b>	<b>\$0</b>	<b>\$199,753</b>	<b>\$455,026</b>	<b>0.0</b>
<b>Percent Change</b>	<b>-100.0%</b>	<b>4.6%</b>	<b>n/a</b>	<b>8.3%</b>	<b>1.0%</b>	<b>0.0%</b>
<b>(7) Colorado Water Conservation Board Current Appropriation</b>	<b>\$0</b>	<b>\$21,174,093</b>	<b>\$296,027</b>	<b>\$139,356</b>	<b>\$21,609,476</b>	<b>45.7</b>
Annualize S.B. 10-146 PERA Contribution Rates	\$0	\$76,862	\$0	\$1,625	\$78,487	0.0
Indirect Cost Adjustment	0	76,127	0	2,114	78,241	0.0
Annualize H.B. 10-1250 CWCB Projects	0	(12,975,000)	0	0	(12,975,000)	0.0

Category	GF	CF	RF	FF	Total	FTE
Annualize S.B. 10-146 PERA Contribution Rates - IT Staff Consolidation	0	(3,747)	0	0	(3,747)	<u>0.0</u>
<b>Colorado Water Conservation Board Base Request</b>	<b>0</b>	<b>8,348,335</b>	<b>296,027</b>	<b>143,095</b>	<b>8,787,457</b>	<b>45.7</b>
DI-5 Increased Dues	0	13,076	0	0	13,076	0.0
NP-1 Print Statewide Warrants	0	170	0	0	170	0.0
NP-4 Statewide PERA Adjustment	<u>0</u>	<u>(81,079)</u>	<u>0</u>	<u>(2,294)</u>	<u>(83,373)</u>	<u>0.0</u>
<b>(7) Colorado Water Conservation Board Total Request</b>	<b>\$0</b>	<b>\$8,280,502</b>	<b>\$296,027</b>	<b>\$140,801</b>	<b>\$8,717,330</b>	<b>45.7</b>
<b>Change</b>	<b>\$0</b>	<b>(\$12,893,591)</b>	<b>\$0</b>	<b>\$1,445</b>	<b>(\$12,892,146)</b>	<b>0.0</b>
<b>Percent Change</b>	<b>n/a</b>	<b>-60.9%</b>	<b>0.0%</b>	<b>1.0%</b>	<b>-59.7%</b>	<b>0.0%</b>
<b>(8) Water Resources Division Current Appropriation</b>	<b>\$18,830,386</b>	<b>\$1,805,368</b>	<b>\$0</b>	<b>\$135,060</b>	<b>\$20,770,814</b>	<b>252.1</b>
Annualize S.B. 10-146 PERA Contribution Rates	351,647	15,816	0	390	367,853	0.0
Indirect Cost Adjustment	0	11,676	0	1,443	13,119	0.0
Annualize H.B. 10-1250 CWCB Projects	0	(250,000)	0	0	(250,000)	0.0
Annualize S.B. 10-146 PERA Contribution Rates - IT Staff Consolidation	(18,052)	(4,095)	0	0	(22,147)	0.0
Anticipated Reduction in Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,770)</u>	<u>(7,770)</u>	<u>0.0</u>
<b>Water Resources Division Base Request</b>	<b>19,163,981</b>	<b>1,578,765</b>	<b>0</b>	<b>129,123</b>	<b>20,871,869</b>	<b>252.1</b>
NP-1 Print Statewide Warrants	941	0	0	0	941	0.0
NP-4 Statewide PERA Adjustment	(384,244)	(5,881)	0	0	(390,125)	0.0
BRI-2 2% GF Personal Services Base Reduction	<u>(362,030)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(362,030)</u>	<u>0.0</u>
<b>(8) Water Resources Division Total Request</b>	<b>\$18,418,648</b>	<b>\$1,572,884</b>	<b>\$0</b>	<b>\$129,123</b>	<b>\$20,120,655</b>	<b>252.1</b>
<b>Change</b>	<b>(\$411,738)</b>	<b>(\$232,484)</b>	<b>\$0</b>	<b>(\$5,937)</b>	<b>(\$650,159)</b>	<b>0.0</b>
<b>Percent Change</b>	<b>-2.2%</b>	<b>-12.9%</b>	<b>n/a</b>	<b>-4.4%</b>	<b>-3.1%</b>	<b>0.0%</b>
<b>(9) Division of Wildlife Current Appropriation</b>	<b>\$0</b>	<b>\$76,406,866</b>	<b>\$0</b>	<b>\$10,814,973</b>	<b>\$87,221,839</b>	<b>631.4</b>

Category	GF	CF	RF	FF	Total	FTE
Annualize S.B. 10-146 PERA Contribution Rates	\$0	\$878,328	\$0	\$129,444	\$1,007,772	0.0
Indirect Cost Adjustment	0	(43,919)	0	134,442	90,523	0.0
Annualize S.B. 10-146 PERA Contribution Rates - IT Staff Consolidation	0	(37,736)	0	0	(37,736)	0.0
<b>Division of Wildlife Base Request</b>	<b>0</b>	<b>77,203,539</b>	<b>0</b>	<b>11,078,859</b>	<b>88,282,398</b>	<b>631.4</b>
NP-1 Print Statewide Warrants	0	2,355	0	0	2,355	0.0
BRI-1 Eliminate General Fund for State Parks	0	(1,569,144)	0	0	(1,569,144)	0.0
NP-4 Statewide PERA Adjustment	0	(749,264)	0	(203,551)	(952,815)	0.0
<b>(9) Division of Wildlife Total Request</b>	<b>\$0</b>	<b>\$74,887,486</b>	<b>\$0</b>	<b>\$10,875,308</b>	<b>\$85,762,794</b>	<b>631.4</b>
<b>Change</b>	<b>\$0</b>	<b>(\$1,519,380)</b>	<b>\$0</b>	<b>\$60,335</b>	<b>(\$1,459,045)</b>	<b>0.0</b>
<b>Percent Change</b>	<b>n/a</b>	<b>-2.0%</b>	<b>n/a</b>	<b>0.6%</b>	<b>-1.7%</b>	<b>0.0%</b>
<b>Department Total Change</b>	<b>(\$2,883,504)</b>	<b>(\$19,012,635)</b>	<b>\$457,268</b>	<b>\$866,567</b>	<b>(\$20,572,304)</b>	<b>0.0</b>
<b>Percent Change</b>	<b>-10.9%</b>	<b>-11.1%</b>	<b>6.6%</b>	<b>5.7%</b>	<b>-9.3%</b>	<b>0.0%</b>

**FY 2011-12 Joint Budget Committee Staff Budget Briefing**  
**Department of Natural Resources**  
**(Executive Director's Office, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)**

**BRIEFING ISSUE**

**ISSUE: Significant Actions Taken from FY 2007-08 to FY 2010-11 to Balance the Budget**

Total appropriations to the Department of Natural Resources have primarily increased since FY 2007-08 due to cash fund increases related to funding for the annual Species Conservation Trust Fund bill, the annual Colorado Water Conservation Board water projects bill, a transfer of funding from the Parks capital construction budget to the operating budget, as well as increases in severance tax funding to State Parks. Since the most recent economic downturn started in 2008, the General Assembly has taken several actions to reduce General Fund expenditures in this department. As a result, the General Fund appropriation to the Department of Natural Resources has decreased by \$3.8 million (12.7 percent) from FY 2007-08 to FY 2010-11.

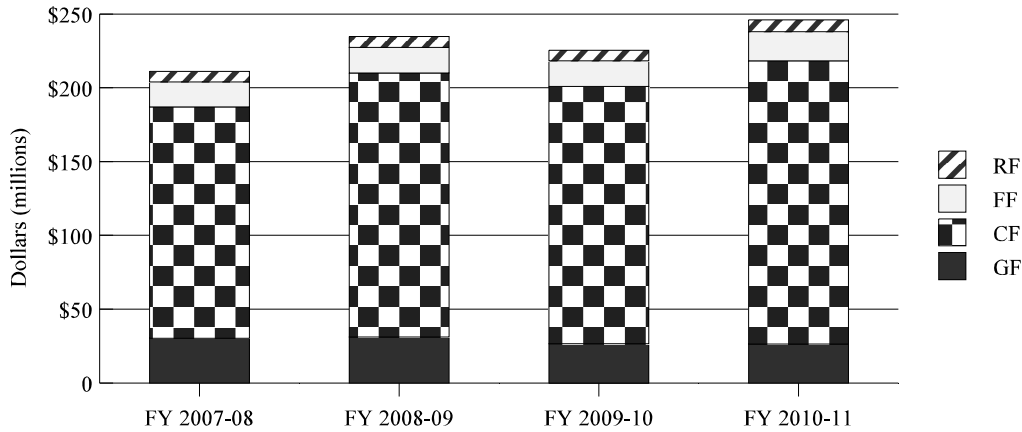
**SUMMARY:**

- The General Assembly transferred a total of \$120.5 million from the Perpetual Base Account of the Severance Tax Trust Fund and the Colorado Water Conservation Board Construction Fund to the General Fund in FY 2008-09, FY 2009-10, and FY 2010-11.
- The General Assembly reduced General Fund appropriations to State Parks by \$4.1 million between FY 2007-08 and FY 2010-11.
- The General Assembly reduced \$413,179 General Fund and 5.3 FTE in the Division of Water Resources.

**DISCUSSION:**

From FY 2007-08 to FY 2010-11, total appropriations to the Department of Natural Resources increased by approximately 16.5 percent (\$34.8 million). Most of this increase was provided through cash funds (\$35.0 million), an increase of federal funds (\$2.8 million), an increase of reappropriated funds (\$787,000), and a decrease of \$3.8 million in General Fund. The major cash fund increases are related to increases in funding for the annual Species Conservation Trust Fund bill, the annual Colorado Water Conservation Board water projects bill, a transfer of funding from the Parks capital construction budget to the operating budget, as well as increases in severance tax funding to State Parks. The major General Fund reductions are related to State Parks operating reductions and refinance of funding.

Department Appropriations FY 2007-08 to FY 2010-11



Appropriations to the Department of Natural Resources for FY 2007-08 through FY 2010-11 are illustrated in the bar chart and detailed in the table below.

Department of Natural Resources Appropriations FY 2007-08 to FY 2010-11					
	Total Funds	General Fund	Cash Funds	Federal Funds	Reappropriated Funds
FY 2007-08 /a	\$211,142,943	\$30,258,368	\$156,795,840	\$16,903,787	\$7,184,948
FY 2008-09	234,769,579	31,057,499	179,001,019	17,333,292	7,377,769
FY 2009-10	225,420,833	26,634,588	174,244,140	17,236,282	7,305,823
FY 2010-11	245,934,482	26,419,333	191,814,141	19,728,647	7,972,361
Increase/(Decrease.) /b	\$34,791,539	(\$3,839,035)	\$35,018,301	\$2,824,860	\$787,413
Percent Change /b	16.5%	(12.7)%	22.3%	16.7%	11.0%

a/ FY 2007-08 Appropriations have been adjusted to reflect the same "cash funds" and "reappropriated funds" format implemented in FY 2008-09. Source: Page 365 the FY 2008-09 Appropriations Report.

b/ Increase/(Decrease) and Percent Change compare FY 2007-08 and FY 2010-11.

As illustrated in the bar chart above, the most significant funding increases over this time period occurred in the cash funds column. These increases primarily occurred in the Executive Director's Office as a result of an increase in appropriations in the annual Species Conservation Trust Fund bill; in State Parks as a result of an increase in severance tax cash funds for parks operations, aquatic nuisance species, and a transfer of funding from the Department capital construction budget to the operating budget; and in the Colorado Water Conservation Board funding through the annual water projects bill.

Beginning in January of 2009 and continuing through the 2010 Session, the General Assembly has taken several actions to increase General Fund revenues by transferring cash funds from the

Colorado Water Conservation Board Construction Fund and the Perpetual Base Account of the Severance Tax Trust Fund to the General Fund. In addition, the General Assembly through various actions reduced General Fund operating expenditures within State Parks, the Water Resources Division, and the Executive Director's Office. These actions are discussed in more detail below.

**Major Budget Balancing Actions from FY 2007-08 to FY 2010-11**

1. Through various actions, the General Assembly reduced the General Fund appropriation to State Parks by \$4.0 million between FY 2008 and FY 2011. However, according to the Department, if one adds other various operating and personal services reductions, refinances of General Fund, and inflationary increases, the General Fund reduction to State Parks could be as high as \$5.7 million. Through H.B. 09-259 (Long Bill), the General Assembly cut \$1.9 million General Fund from State Park Operations and another \$500,000 from centrally appropriated items. House Bill 10-1326 increased the allowable percentage of funds from Tier I of the Operational Account of the Severance Tax Trust Fund going to State Parks from 5 to 10 percent and refinanced \$2.2 million General Fund. In addition, the General Assembly implemented \$260,000 worth of personal services and operating expenses reductions.
2. Starting with FY 2009-10, the General Assembly reduced \$413,179 General Fund and 5.3 FTE in the Division of Water Resources for water commissioners, a ground water well commissioner, engineers, and an IT developer position.
3. Starting with FY 2009-10, the General Assembly reduced 1.0 FTE and \$97,000 General Fund in the Executive Director's Office for a National Environmental Policy Act (NEPA) coordinator position. The NEPA coordinator position was tasked with coordinating all Department responses to Resource Management Plans, Environmental Impact Statements, Wild and Scenic Designations, and other federal reviews and actions; as well as coordinating with appropriate federal land managers to ensure that Colorado's interests are considered and incorporated into the plans impacting the future of federal lands in Colorado.
4. Starting with FY 2010-11, the General Assembly reduced \$57,000 General Fund operating expenses from the Executive Director's Office, State Parks, and the Division of Water Resources.

**Actions Taken to Increase Available State Revenues**

The General Assembly transferred a total of \$120.3 million from the Colorado Water Conservation Board Construction Fund and the Perpetual Base Account of the Severance Tax Trust Fund in FY 2008-09, FY 2009-10, and FY 2010-11. These transfers are detailed in the following table.



<b>Transfers to the General Fund</b>		
<b>Name of Fund</b>	<b>Bill</b>	<b>Amount of Transfer</b>
<i>FY 2008-09 Transfers to General Fund:</i>		
CWCB Construction Fund	S.B. 09-208	\$10,250,000
Perpetual Base Account of the Severance Tax Trust Fund	S.B. 09-208	20,000,000
Perpetual Base Account of the Severance Tax Trust Fund	S.B. 09-279	15,000,000
<i>FY 2009-10 Transfers to General Fund:</i>		
Perpetual Base Account of the Severance Tax Trust Fund	S.B. 09-279	43,000,000
Perpetual Base Account of the Severance Tax Trust Fund	S.B. 09-279	19,000,000
Perpetual Base Account of the Severance Tax Trust Fund	H.B. 10-1327	2,000,000
<i>FY 2010-11 Transfers to General Fund:</i>		
Perpetual Base Account of the Severance Tax Trust Fund	H.B. 10-1388	11,000,000
<b>Total Transfers to General Fund</b>		<b>\$120,250,000</b>

In addition, the General Assembly allowed the State Treasurer and the Controller, upon written order of the Governor, to transfer moneys from the CWCB Construction Fund and the Perpetual Base Account to the General Fund, on June 30, 2009, and transfer the moneys back to the funds on July 1, 2009. This action was to be undertaken if the June 2009 revenue forecast showed that General Fund appropriations would exceed General Fund revenues. These one-day transfers are detailed in the table below.

<b>"One-Day" Transfers to the General Fund</b>		
<b>Name of Fund</b>	<b>Bill</b>	<b>Amount of Transfer Up To</b>
<i>"One-Day" Transfers to General Fund June 30, 2009 to July 1, 2009:</i>		
CWCB Construction Fund	S.B. 09-279	\$60,000,000
Perpetual Base Account of the Severance Tax Trust Fund	S.B. 09-279	75,000,000
<b>Total Transfers to General Fund</b>		<b>\$135,000,000</b>

**FY 2011-12 Joint Budget Committee Staff Budget Briefing**  
**Department of Natural Resources**  
**(Executive Director's Office, Parks and Outdoor Recreation, Colorado Water**  
**Conservation Board, Water Resources Division, Division of Wildlife)**

**BRIEFING ISSUE**

**ISSUE: Options for Balancing the FY 2010-11 and FY 2011-12 General Fund Revenue Shortfall**

The Department is proposing to transfer \$10.0 million from the Perpetual Base Account of the Severance Tax Trust Fund to the General Fund in FY 2010-11 and another \$15.0 million in FY 2011-12 as a General Fund budget balancing action. The Department is also proposing to eliminate General Fund support for the Division of Parks and Outdoor Recreation.

**SUMMARY:**

- The Department is recommending transferring cash funds from the Perpetual Base Account of the Severance Tax Trust Fund to the General in FY 2010-11 (\$10.0 million) and \$15.0 million in FY 2011-12 as a budget balancing action.
- There are up to \$28.0 million (including Department request) available for transfer in FY 2010-11 from the Perpetual Base Account and up to \$73.0 million (including Department request) available for transfer in FY 2011-12 from the Perpetual Base Account and the CWCB Construction Fund.
- State Parks is proposing to eliminate the remaining \$2.7 million General Fund in its budget and supplement its revenues through an increase in \$1.3 million Tier 1 Operational Account of the Severance Tax Trust Fund and \$1.4 million from various increases to Parks fees.
- Due to federal limitations, the Division of Wildlife cannot supplement the General Fund without suffering a penalty of \$21.4 million in federal funding (to be in place until the amount diverted is repaid with interest).

**RECOMMENDATION:**

Staff recommends the Committee discuss the Department's General Fund balancing proposals related to funding from the Colorado Water Conservation Board and State Parks. In particular, staff recommends the Committee ask the following questions:

1. Discuss the impact to the Water Projects Loan Program of transferring up to \$28.0 million of Perpetual Base Account dollars to the General Fund in FY 2010-11 and up to \$73.0

million in FY 2011-12. What projects will most likely not get funded? Does the Department have a methodology to provide a numerical calculation of the long-term impact of continued transfers from the Perpetual Base Account and the CWCB Construction Fund?

2. Discuss the State Parks proposal to refinance General Fund with cash funds from Increased Parks fees and Tier 1 Operational Account dollars. What is the Department analysis of price sensitivity of parks visitors? Could the Division have raised fees by more than the proposed amounts in order to accomplish the entire refinance with cash funds from fee increases? Why or why not.
3. The Division of Wildlife stated in its response to this proposal that it is considering ways to reduce the cost of on-going studies, absorb continuing costs within existing budget, and/or find an alternative source of revenue for these studies. Provide an update of the options that the Division is still considering as it relates to studying the impact of energy development on wildlife and wildlife habitat.

**DISCUSSION:**

**1). Options for Transfers from the Colorado Water Conservation Board Funding Sources**

As discussed earlier in this presentation under the "Factor Driving the Budget" section, the Colorado Water Conservation Board Construction Fund (Construction Fund), created in Section 37-60-121 (1) (a), C.R.S., provides loans and grants for projects that will increase the beneficial consumptive use of Colorado's undeveloped compact entitled waters. Section 37-60-121 (1) (b) (IV), C.R.S., instructs the Colorado Water Conservation Board (CWCB) to participate in only those projects that can repay the board's investment, unless specifically authorized by the legislature through a bill. Section 37-60-122 (1) (b), C.R.S., authorizes the CWCB to make loans without General Assembly approval in amounts not to exceed ten million dollars.

The June 30, 2010, financial statements for the CWCB Construction Fund show total equity of \$324.0 million (\$238.0 million restricted for loans, \$63.0 million restricted for authorized projects, as well as \$23.0 million unrestricted cash).

The table below shows the Department estimate of revenues and expenditures for the CWCB Construction Fund. Staff notes that the Conservation Board had as of November 5, 2010, voted to obligate approximately \$16.5 million in loan issuances.

<b>Colorado Water Conservation Board Construction Fund</b>				
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Request</b>
Cash Balance - Beginning of Year	\$13,282,580	\$19,305,372	\$23,599,996	\$4,000,808
Revenues	45,300,023	27,843,875	28,064,773	29,523,208

<b>Colorado Water Conservation Board Construction Fund</b>				
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Request</b>
Animas-La Plata Project Transfer	0	0	12,000,000	12,000,000
<i>CWCB Operations</i>	<i>(6,255,134)</i>	<i>(6,290,891)</i>	<i>(7,451,373)</i>	<i>(7,500,000)</i>
<i>Non-Reimbursable Investments &amp; Cash Replenishment</i>	<i>(4,724,563)</i>	<i>(6,412,364)</i>	<i>(3,525,000)</i>	<i>(4,137,309)</i>
<i>Animas-La Plata Expenditure</i>	<i>0</i>	<i>0</i>	<i>(12,000,000)</i>	<i>(12,000,000)</i>
<i>Loan Issuances</i>	<i>(18,047,534)</i>	<i>(10,845,996)</i>	<i>(36,687,588)</i>	<i>(16,000,000)</i>
<i>Total Expenditures</i>	<u><i>(29,027,231)</i></u>	<u><i>(23,549,251)</i></u>	<u><i>(59,663,961)</i></u>	<u><i>(39,637,309)</i></u>
Ending FY Balance without transfer	\$29,555,372	\$23,599,996	\$4,000,808	\$5,886,707
Transfer to the General Fund in S.B. 09-208	<u>(10,250,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance after transfer	\$19,305,372	\$23,599,996	\$4,000,808	\$5,886,707

The table below shows staff initiated options for additional transfers to the General Fund. The General Assembly has the option to transfer up to \$24.0 million to the General Fund in FY 2010-11 or up to \$26.0 million in FY 2011-12. As in previous years, staff notes that the General Assembly would have to run legislation in order to achieve any transfers from the CWCB Construction Fund. In addition, staff notes that the Conservation Board is scheduled to meet January 25, 2011, March 15, 2011, and May 17, 2011. During these meetings it is very likely that the Conservation Board will obligate additional funds for water project loans. If the Committee is interested in augmenting General Fund revenues in FY 2010-11 and/or FY 2011-12 from the CWCB Construction Fund, the Committee should formally contact the Conservation Board and express their intent to transfer funds out of the Construction Fund in order to prevent further obligations of dollars.

<b>Colorado Water Conservation Board Construction Fund</b>				
<b>JBC Staff - Options for Additional General Fund Balancing Transfers</b>				
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Request</b>
Cash Balance - Beginning of Year	\$13,282,580	\$19,305,372	\$23,599,996	\$24,163,396
Revenues	45,300,023	27,843,875	28,064,773	29,523,208
Animas-La Plata Project Transfer	0	0	12,000,000	12,000,000
<i>CWCB Operations</i>	<i>(6,255,134)</i>	<i>(6,290,891)</i>	<i>(7,451,373)</i>	<i>(7,500,000)</i>
<i>Non-Reimbursable Investments &amp; Cash Replenishment</i>	<i>(4,724,563)</i>	<i>(6,412,364)</i>	<i>(3,525,000)</i>	<i>(4,137,309)</i>
<i>Animas-La Plata Expenditure</i>	<i>0</i>	<i>0</i>	<i>(12,000,000)</i>	<i>(12,000,000)</i>

<b>Colorado Water Conservation Board Construction Fund</b>				
<b>JBC Staff - Options for Additional General Fund Balancing Transfers</b>				
	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Request</b>
<i>Loan Issuances</i>	(18,047,534)	(10,845,996)	(16,525,000)	(16,000,000)
<i>Total Expenditures</i>	<u>(29,027,231)</u>	<u>(23,549,251)</u>	<u>(39,501,373)</u>	<u>(39,637,309)</u>
Ending FY Balance without transfer	\$29,555,372	\$23,599,996	\$24,163,396	\$26,049,295
Transfer to the General Fund in S.B. 09-208	(10,250,000)	0	0	0
Options for Additional Transfers to the General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>(26,000,000)</u>
Ending Balance after transfer	\$19,305,372	\$23,599,996	\$24,163,396	\$49,295

### **Perpetual Base Account of the Severance Tax Trust Fund**

The Perpetual Base Account of the Severance Tax Trust Fund is authorized in Section 39-29-109 (2) (a), C.R.S., to be used for the same purposes as the Colorado Water Conservation Board Construction Fund. Specifically, to fund directly or provide loans for construction, rehabilitation, enlargement, or improvement of water projects. The Severance Tax Perpetual Base Account receives half of receipts to the severance tax trust fund (one fourth of all severance tax income). This fund is a revolving loan account, as such no permanent programs depend on this fund.

The June 30, 2010, financial statements for the Perpetual Base Account show total equity of \$297.0 million (\$164.0 million restricted for loans, \$129.0 million restricted for authorized projects, as well as \$4.0 million unrestricted cash).

The table below shows the Department estimate of revenues and expenditures for the Perpetual Base Account. Staff notes that the Department submitted requests to transfer \$10.0 million from the Perpetual Account to the General Fund in FY 2010-11 and \$15.0 million in FY 2011-12 as General Fund budget balancing actions.

<b>Perpetual Base Account of the Severance Tax Trust Fund</b>				
	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Request</b>
Cash Balance - Beginning of Year	\$18,058,960	\$40,454,321	\$4,865,510	\$1,620,741
<i>Receivables/Interest Earnings</i>	11,071,624	7,062,895	7,426,920	9,658,044
<i>Severance Tax</i>	71,253,177	17,856,646	39,570,111	44,346,829
<i>Principal Repayment</i>	3,099,696	4,151,218	3,758,200	5,046,214
<i>Previously Obligated Loans</i> <sup>1/</sup>	0	36,000,000	0	0
<i>Total Revenues</i>	85,424,497	65,070,759	50,755,231	59,051,087

<b>Perpetual Base Account of the Severance Tax Trust Fund</b>				
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Request</b>
Loan Issuances/Drought Grants <sup>2/</sup>	<u>(28,029,136)</u>	<u>(36,659,570)</u>	<u>(33,000,000)</u>	<u>(43,000,000)</u>
Ending FY Balance without transfer	\$75,454,321	\$68,865,510	\$22,620,741	\$17,671,828
Transfer to the General Fund in S.B. 09-208	(20,000,000)	0	0	0
Transfers to the General Fund in S.B. 09-279	(15,000,000)	(62,000,000)	0	0
Transfer to the General Fund in H.B. 10-1327	0	(2,000,000)	0	0
Transfer to the General Fund in H.B. 10-1388	0	0	(11,000,000)	0
<b>Department Recommendation for Additional Transfers</b>	<u>0</u>	<u>0</u>	<u>(10,000,000)</u>	<u>(15,000,000)</u>
Ending Balance after transfer	\$40,454,321	\$4,865,510	\$1,620,741	\$2,671,828

1/ \$36.0 million was set aside from moneys for already authorized projects.

2/ For FY 2009-10, includes \$35.0 million necessary to back-fill the Arkansas Valley Conduit loan amount, which was transferred to the General Fund. Also includes \$1,288,362 in small project loans which the CWCB Board approved in 2009. For FY 2010-11, includes an obligation of \$12.0 million towards the purchase of Animas-La Plata water per H.B. 10-1250 and \$4.0 million to pay back previously obligated loans from FY 2009-10. For FY 2011-12, includes obligation of \$12.0 million towards the purchase of Animas-La Plata project water per H.B. 10-1250.

The table below shows staff initiated options for additional transfers to the General Fund. The General Assembly has the option to transfer up to an additional \$18.0 million to the General Fund in FY 2010-11 and up to \$32.0 million in FY 2011-12. As in previous years, staff notes that the General Assembly would have to run legislation in order to achieve any transfers from the CWCB Construction Fund.

<b>Perpetual Base Account of the Severance Tax Trust Fund</b>				
<b>JBC Staff - Options for Additional General Fund Balancing Transfers</b>				
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Request</b>
Cash Balance - Beginning of Year	\$18,058,960	\$40,454,321	\$4,865,510	\$620,741
<i>Receivables/Interest Earnings</i>	<i>11,071,624</i>	<i>7,062,895</i>	<i>7,426,920</i>	<i>9,658,044</i>
<i>Severance Tax</i>	<i>71,253,177</i>	<i>17,856,646</i>	<i>39,570,111</i>	<i>44,346,829</i>
<i>Principal Repayment</i>	<i>3,099,696</i>	<i>4,151,218</i>	<i>3,758,200</i>	<i>5,046,214</i>
<i>Previously Obligated Loans <sup>1/</sup></i>	<i>0</i>	<i>36,000,000</i>	<i>0</i>	<i>0</i>
<i>Total Revenues</i>	<i>85,424,497</i>	<i>65,070,759</i>	<i>50,755,231</i>	<i>59,051,087</i>
Loan Issuances/Drought Grants <sup>2/</sup>	<u>(28,029,136)</u>	<u>(36,659,570)</u>	<u>(16,000,000)</u>	<u>(12,000,000)</u>

<b>Perpetual Base Account of the Severance Tax Trust Fund JBC Staff - Options for Additional General Fund Balancing Transfers</b>				
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Request</b>
Ending FY Balance without transfer	\$75,454,321	\$68,865,510	\$39,620,741	\$47,671,828
Transfer to the General Fund in S.B. 09-208	(20,000,000)	0	0	0
Transfers to the General Fund in S.B. 09-279	(15,000,000)	(62,000,000)	0	0
Transfer to the General Fund in H.B. 10-1327	0	(2,000,000)	0	0
Transfer to the General Fund in H.B. 10-1388	0	0	(11,000,000)	0
Department Recommendation for Additional Transfers	0	0	(10,000,000)	(15,000,000)
Options for Additional Transfers to the General Fund	0	0	(18,000,000)	(32,000,000)
Ending Balance after transfer	\$40,454,321	\$4,865,510	\$620,741	\$671,828

The Perpetual Base Account's revenues are very volatile, as the table shows, for FY 2008-09 revenues were \$71.3 million, the following year revenues dropped by 75.0 percent.

As discussed in the previous issue topic, the General Assembly has already transferred \$120.3 million from the Perpetual Base Account and the CWCB Construction Fund to the General Fund since FY 2008-09. The Committee may wish to discuss with the Conservation Board about any negative impacts that further transfers of funds may cause to the water community in Colorado. In the case that the Committee decides to pursue additional transfers of funds, the Committee may wish to discuss with the Conservation Board about alternative private or public methods for funding water projects in Colorado.

### **Future Loan Prospects**

The finance section of the CWCB maintains a list of potential borrowers/projects for the Water Project Loan Program. This list represents borrowers that have contacted the CWCB about a potential need for funding but have not submitted a loan application and/or a loan feasibility study. The table below shows the current list of potential projects totaling \$125.4 million.

<b>Loan Prospects List</b>	
<b>Basin</b>	<b>Loan Amount</b>
South Platte	\$89,950,000
Arkansas	\$27,000,000

<b>Loan Prospects List</b>	
San Miguel/Juan	\$6,100,000
Colorado	\$840,000
Gunnison	\$1,000,000
Rio Grande	\$0
Yampa	<u>\$500,000</u>
<b>Total Loan Prospects</b>	<b>\$125,390,000</b>

**Potential Advantages to Borrowers of CWCB Project Loans**

The CWCB claims that in many cases the CWCB Loan Program is the only viable option for small municipalities, water districts, ditch or canal companies, and reservoir companies to obtain project funding. This is many times due to the financial structure of the borrowers and their available collateral. Private lenders can view agricultural or municipal water projects as a long term risk and would require higher interest rates and greater collateral in order to offset the risk.

The CWCB states that its agricultural lending rates are typically 2-3 times lower than conventional lending rates. In addition, for most agricultural loans, CWCB accepts the company's revenue assessments and does not need traditional hard collateral. Because the program is self-funded, it has a flexibility not typically seen with conventional lenders. Although municipalities and districts have the ability to secure bonds to finance their water projects, the issuance requirements, legal costs, bonding fees, and interest rates can make bonding costs prohibitive for smaller projects (less than \$3.0 million).

<b>FY 2010-11 CWCB Lending Rates</b>	
<b>Type of Loan</b>	<b>FY 2010-11 Interest Rates</b>
Baseline Rate	5.61%
Commercial/Industrial (110%)	6.25%
Municipal High Income (90%)	5.00%
Municipal Middle Income (80%)	4.50%
Municipal Low Income (70%)	4.00%
Agricultural (50%)	2.75%



**2). Proposed Elimination of General Fund in State Parks**

The Department submitted a base reduction item requesting the elimination of General Fund to State Parks starting with FY 2011-12. This request would eliminate a total of \$2.7 million General Fund remaining in State Parks. The proposal back-fills funding to State Parks with a \$1.3 cash funds(approximately \$1.5 million if anticipated centrally appropriated line items are included in calculation) increase in Tier 1 of the Operational Account of the Severance Tax Trust Fund (to be offset by the elimination of Tier 1 dollars for the Division of Wildlife initially provided through S.B. 08-13) and a \$1.4 million increase in cash revenues by raising several cash fees.

<b>Proposed Parks Fee Increases</b>				
<b>Type of Fee</b>	<b>Current</b>	<b>Proposed</b>	<b>Last Fee Increase</b>	<b>Expected Revenue</b>
Daily Pass	\$6	\$7	Sept. 1, 07	488,020
Daily Pass (year round at high use parks*)	\$7	\$8	Sept. 1, 07	107,600
Annual Pass	\$60	\$70	Nov. 15, 07	303,180
Annual Multiple	\$25	\$35	Nov. 15, 07	105,375
Aspen Leaf (Annual) Pass	\$30	\$35	Nov. 15, 07	(31,620)
Aspen Multiple (Annual) Pass	\$15	\$18	Nov. 15, 07	5,600
Lifetime Senior	N/A	\$175	New	215,000
Centennial and Columbine (annual pass for disabled and income eligible residents)	\$13	\$14	2,003	3,100
Small standard camper cabins & yurts	\$60	\$70	2,003	7,326
Premium cabins & large standard cabins	\$80-\$220	\$100-\$260	Sept. 1, 07	27,193
Additional Camping Fee at 12 Parks**	N/A	\$2 extra	New	<u>152,031</u>
<b>Total Additional Anticipated Revenue</b>				<b>1,382,805</b>

\* Boyd Lake, Chatfield, Cherry Creek, Eldorado Canyon.

\*\* Chatfield, Cherry Creek, Cheyenne Mountain, Golden Gate Canyon, Highline Lake, Mueller, Pearl, Rifle Falls, Ridgway, St. Vrain, Steamboat Lake, Sylvan Lake.

House Bill 10-1326 increased the maximum allowable Tier 1 appropriation to State Parks to 10.0 percent of total available revenue to the Operational Account. With this request, State Parks Tier 1 funding is anticipated to increase from \$3,475,863 (or 4.8 percent) in FY 2010-11, to \$4,943,629 (or 7.3 percent) in FY 2011-12.

As far as the Division of Wildlife losing \$1.6 million, the Department states that S.B. 08-13 appropriated the moneys to the Division of Wildlife to study the impacts of energy development on wildlife and wildlife habitat, as well as to study best management practices to reduce such impacts. The money was used to hire contractors to complete a variety of studies.

Since most of these studies have been started, a reduction in funding and associated stoppage of a study will result in the initial spending on the study having been wasted. These studies, once completed, will be invaluable to the management of Colorado's wildlife resources and minimizing the impact energy development on wildlife and wildlife habitat. The Division is examining ways to both reduce the cost of these on-going studies and to absorb continuing costs within either its base budget or (for sage grouse related studies) to fund the project within the Division of Wildlife's annual Species Conservation Trust Fund allocation. This reallocation would need approval from the General Assembly through the annual Species Conservation Trust Fund legislation. Given the availability of these alternatives and potential cost reductions, the Division of Wildlife's Tier 1 allocation is a low priority for the Department.

### **3). Wildlife Cash Fund**

In the past couple of years members have asked about the possibility to transfer Wildlife Cash Fund dollars to the General Fund for budget balancing purposes. As noted in the "Factor Driving the Budget" section of this presentation, the Division of Wildlife received approximately \$117.4 million in revenue in FY 2009-10, of this revenue, \$73.4 million was from hunting and fishing licenses and \$21.2 million was from federal funds.

Colorado agreed to the stipulations of the federal Pittman-Robertson act in Section 33-1-117, C.R.S. Through this act, the United States aids the Division of Wildlife in wildlife restoration projects and other purposes. The assent further stipulates that no moneys accruing to the Division pursuant to such act shall be used for any purpose other than for wildlife restoration projects and the administration of the Division. Colorado also agreed to the stipulations of the Dingell-Johnson act in Section 33-1-118, C.R.S. Similarly, the Division is prohibited from spending funds accruing as a result of compliance with the act on functions other than cooperative fish restoration and management projects as defined in the act.

Section 33-1-112 (1) (a), C.R.S., establishes the Wildlife Cash Fund and directs all moneys received from wildlife license fees, and all moneys and interest from all other wildlife sources to be deposited in the fund. Federal rule 50 CFR 80.4 further states that revenues from license fees paid by hunters and fishermen not be diverted for purposes other than administration of the state fish and wildlife agency. The Division is concerned that if a diversion of any amount of Wildlife Cash Fund dollars occurs, the Division will be ineligible for any future federal funds until the amount of money diverted is repaid with interest.

**FY 2011-12 Joint Budget Committee Staff Budget Briefing**  
**Department of Natural Resources**  
**(Executive Director's Office, Parks and Outdoor Recreation, Colorado Water**  
**Conservation Board, Water Resources Division, Division of Wildlife)**

**BRIEFING ISSUE**

**ISSUE: Water Supply Gap in Colorado's Municipal and Industrial (M&I) Water Needs**

According to findings of the Colorado Statewide Water Supply Initiative (SWSI), by 2050 Colorado's net municipal and industrial (M&I) water supply gap could range between 200,000 and 600,000 acre-feet. The study only addresses the M&I gap. The study has developed a tool to help estimate the cost to address Colorado's 2050 M&I water supply needs. According to some estimates, the cost may reach as high as \$18.0 billion.

**SUMMARY:**

- According to findings of the Colorado Statewide Water Supply Initiative (SWSI), by 2050 Colorado's net municipal and industrial (M&I) water supply gap could range between 200,000 and 600,000.
- The CWCB states that a mix of solutions will be necessary for addressing the M&I gap and ideally, all solutions should be pursued concurrently. This includes the implementation of IPPs, agricultural transfers new water supply development in the Colorado River system, reuse, and both passive and active conservation. No one strategy will be able to meet all of Colorado's future water supply needs.
- The CWCB insists that funding coming from the CWCB will be vital to help implement all strategies, in particular, the implementation of IPPs.

**RECOMMENDATION:**

Staff recommends the Committee discuss the 2010 SWSI findings, in particular request that the Department address the following questions:

1. Provide a comprehensive analysis of the findings of the 2010 SWSI.
2. What can the General Assembly do to help in furthering the goals of the 2010 SWSI?
3. What particular IPPs is the CWCB funding currently? What IPPs is the CWCB considering in funding in the future?
4. Provide an analysis of the methodology used in estimating costs for the different portfolios. What portfolio and associated cost does the CWCB estimate to be most likely by 2050?

## **DISCUSSION:**

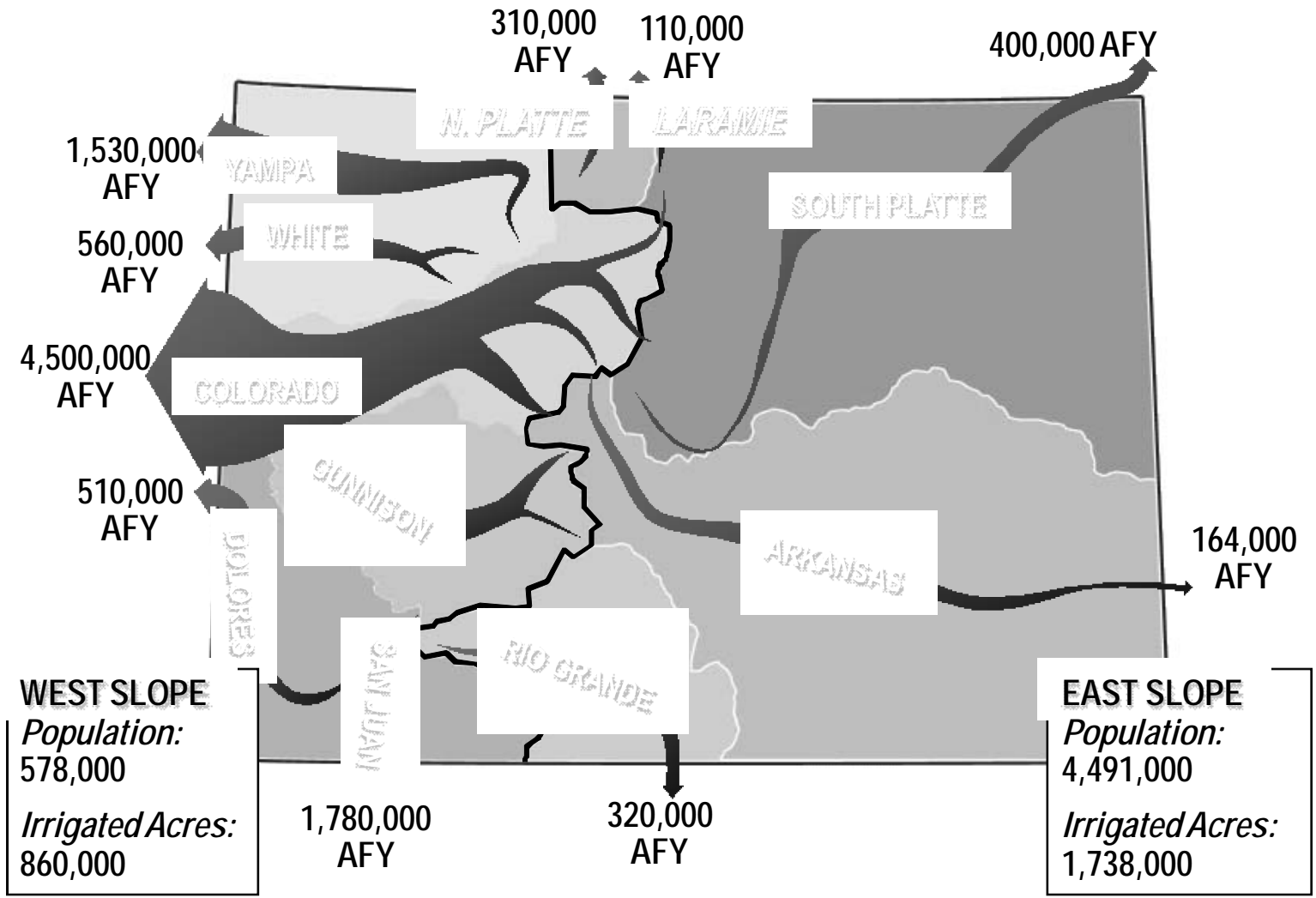
In 2004, the Colorado Water Conservation Board (CWCB) completed the Statewide Water Supply Initiative (SWSI) Phase 1 Study. One of the key findings of the study was that while SWSI evaluated water needs and solutions through 2030, very few municipal and industrial (M&I) water providers have identified supplies beyond 2030. Beyond 2030, growing demands may require more aggressive solutions. Since the SWSI Phase 1 Study was completed, the General Assembly established the Water for the 21<sup>st</sup> Century Act (H.B. 05-1177). This act established an Interbasin Compact Process that provides a permanent forum for broad-based water discussions in the state. It created two new structures: 1) the Basin Roundtables, and 2) the Interbasin Compact Committee (IBCC). There are nine basin roundtables based on Colorado's eight major river basins and the Denver metro area. The Act charged the Basin Roundtables to develop their consumptive and non-consumptive needs assessments and to propose projects and methods to meet those needs.

These needs assessments are the basis for the CWCB's SWSI 2010 update, making SWSI 2010 the first comprehensive update to incorporate the needs assessment work of the Basin Roundtables. SWSI 2010 is intended to be a comprehensive picture of Colorado's current and future water needs. The CWCB intends on updating and refining the SWSI every few years.

### **Colorado Water Overview**

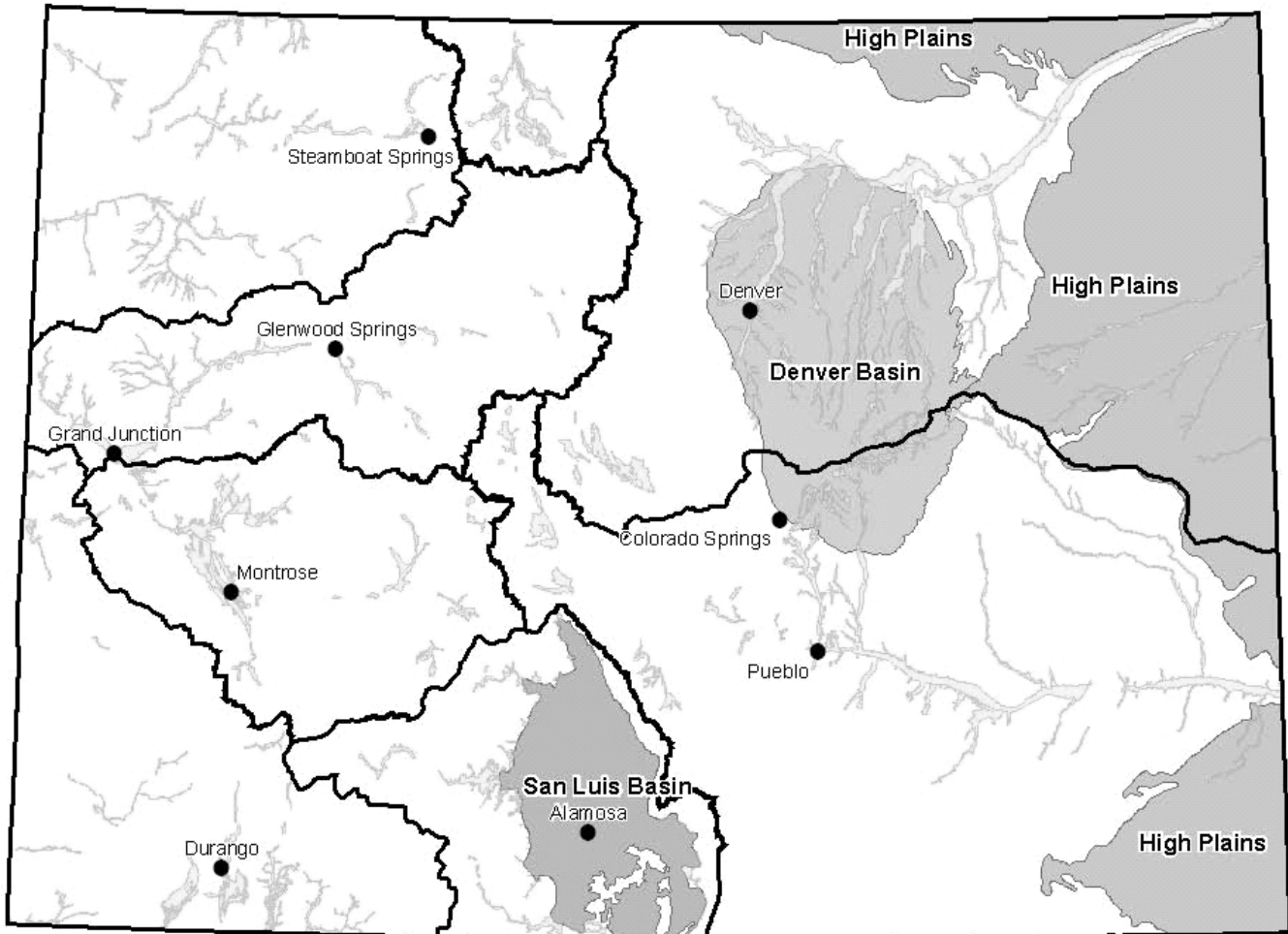
1. Colorado receives an average annual precipitation of 15.47 inches (Nevada ranks as the driest state with an average annual precipitation of 9.5 inches and Hawaii is the wettest, with 70.3 inches);
2. The majority of Colorado's water supplies are primarily from snow melt runoff from the mountain ranges along the Continental Divide;
3. Colorado's river systems generate, on average, 16.0 million acre-feet of renewable water each year. On average, about two-thirds of this water is obligated to leave the state under various interstate compacts and agreements. Of the 16.0 million acre-feet, about 80.0 percent is on the west slope (20.0 percent on the east), while about 80.0 percent of the population is on the east slope (20.0 percent on the west). In addition, most of the irrigated agricultural lands are on the east slope.

The chart below shows the Colorado population, Irrigated Acres, and Volume of Water Flows (in acre-feet)

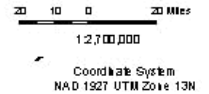


- Colorado has non-renewable ground water primarily in the San Luis Basin, High Plains, which is part of the Ogallala system, and the Denver Basin. The use of non-renewable ground water, particularly for municipal use, creates a unique set of issues from those facing renewable surface water.

The Chart below shows Major Aquifer Systems in Colorado



- ! City
- ⬭ River Basin
- ☁ Alluvial Aquifer
- ☁ Denver Basin Aquifers
- ☁ High Plains Aquifers
- ☁ San Luis Basin Aquifers



Aquifer Outlines provided by the Colorado Geological Survey

**Overall Key Finding of SWSI 2010 (Draft Version)**

Colorado faces a shortage of water for meeting the state's consumptive and non-consumptive water needs. In order to meet Colorado's water management objectives, a mix of local water projects and plans, conservation, reuse, agricultural transfers, and the development of new water supplies should be pursued concurrently.

**I). Consumptive Needs**

**I-I). Projected Water Use**

By 2050, agriculture is projected to continue to use the majority of Colorado's water supply. However, agriculture's share of water use is projected to decline from 89.0 percent today to 83.0 percent in 2050.

2050 Projected Water Use	
Agriculture	83.0%
Municipal and Industrial (M&I)	14.0%
Self-Supplied Industrial	2.0%

**I-II). Agricultural Demands**

The State could face a significant decline in irrigated acres by 2050 due to urbanization and water transfers. Between 500,000 and 700,000 irrigated acres could be dried up. In 2050, Colorado's agricultural demands are projected to be approximately 3.9 million acre-feet.

**I-III). Municipal Demands**

Significant increases in Colorado's population - together with agricultural water needs and an increased focus on recreational and environmental use - will intensify competition for water.

- ▶ Colorado's population is projected to nearly double to between 8.6 and 10.5 million people by 2050.
- ▶ Colorado will need between 600,000 and 1,000,000 acre-feet of M&I water by 2050 (includes population growth, energy needs, passive conservation, and replacement of non-tributary groundwater).
- ▶ The Front Range will continue to be the most populous place in Colorado with over 80.0 percent of the State's population residing in the Arkansas, Metro, and South Platte Basins.
- ▶ The West Slope will grow at the fastest rate of any area. Growth rates on the Western Slope are projected to be as high as 250.0 percent, whereas the Front Range is projected to grow at 70.0 percent.

**I-IV). Energy Demands**

An oil shale industry producing 1,550,000 barrels of oil per day could use between 0 and 120,000 acre-feet of water depending on technological advances and other factors. Due to ramp up rates,

projected water use for energy development by 2050 ranges from 0 to 44,000 acre-feet for an industry providing 550,000 barrels of oil per day.

## **II). Supply**

Supplies are not necessarily where demands are. Shortages exist, especially in headwater areas. Compact entitlements in the Colorado River Basins are not fully utilized. In the South Platte, Arkansas, and Rio Grande Basins, unappropriated water is extremely limited.

Between now and 2050, there will need to be a decreased reliance on nonrenewable, nontributary groundwater for permanent water supply. There are reliability and sustainability concerns in areas, particularly along the Front Range.

In addition to meeting future M&I water needs, the South Metro area and northern El Paso County will need to replace 35,000 acre-feet of nontributary groundwater with a renewable water supply.

## **III). Addressing the M&I Gap**

SWSI contains a list of Identified Projects and Processes (IPPs). These include a variety of activities and projects that, if successfully implemented, have the ability to meet some, but not all of Colorado's 2050 M&I water. Examples of IPPs include full use of existing systems, storage projects, local agricultural transfers, and reuse of existing fully consumable supplies.

The 2050 Municipal and Industrial Gap Analysis report includes a list of IPPs. If all the projects on this list were successfully implemented, they are estimated to yield an additional 388,814 acre-feet of water at a cost of \$4.7 billion.

It is unlikely that all of SWSI's proposed IPPs will move forward immediately, and some might not be implemented at all. Therefore, the M&I gap analysis considers a range of IPP success rates.

Colorado faces a potentially significant M&I water supply gap in 2050. The M&I gap varies between 200,000 and 600,000 acre-feet depending on the success rate of the IPPs and the M&I demand scenario. The success of the IPPs also influences when this gap may appear. Successful implementation of the IPPs will help prevent the gap for a number of years.

To assess the range of the 2050 M&I gap, low, medium, and high scenarios were developed to bracket the gap range. The **low gap scenario** (200,000 acre-feet), assumes 100.0 percent IPP success and low 2050 M&I demands. The **medium gap scenario** (391,000 acre-feet), assumes an "alternative" IPP success rate based on IBCC, CWCB, and Basin Roundtable input on a basin-by-basin basis (72.0 percent success statewide), and medium 2050 M&I demands. The **high gap scenario** (600,000 acre-feet), assumes a "status quo" IPP success rate based on IBCC, CWCB, and Basin Roundtable input on a basin-by-basin basis (60.0 percent success statewide), and high 2050 M&I demands.



Medium 2050 M&I Gap	
Existing M&I Water Supply (acre-feet)	1,161,000
2050 Identified Projects and Processes (IPPs) (acre-feet)	354,000
2050 Gap Projection	391,000

### III-I). Portfolio and Trade-off Tool for Calculating Different Strategies

The CWCB states that a mix of solutions will be necessary for addressing the M&I gap and ideally, all solutions should be pursued concurrently. This includes the implementation of IPPs, agricultural transfers new water supply development in the Colorado River system, reuse, and both passive and active conservation. No one strategy will be able to meet all of Colorado's future water supply needs. The CWCB insists that funding coming from the CWCB will be vital to help implement all strategies, in particular, the implementation of IPPs.

In order to help plan and provide a cost estimate of meeting future needs, a trade-off tool was developed. Preliminary funding analysis done by CWCB staff indicates that implementing a portfolio of solutions to address Colorado's 2050 medium M&I water supply needs could cost an estimated \$17.9 billion under status quo assumptions. These cost could be different depending on actual M&I demand in the future and/or the implementation of an alternative portfolio to the status quo.

### III-II). Cost of Meeting Future Needs

The following unit costs were used to estimate the cost of the status quo portfolio:

- **IPPs:** Based on recent water project costs, \$5,900/acre-foot was used for West Slope projects and \$14,000/acre-foot for East Slope projects.
- **Conservation:** No costs were assumed for passive conservation. \$10,600/acre-foot was used for active conservation based on information developed during SWSI.
- **Agricultural Transfers:** Since the status quo assumes agricultural transfers will occur as they are today and pursued by individual water providers instead of in a coordinated program or large project, a cost of \$40,000/acre-foot was assumed for agricultural transfers beyond the IPPs. Agricultural water is assumed to become more competitive, require conveying the water longer distances, and need advanced water treatment.
- **New Supply Development:** No additional transbasin diversions were assumed in the status quo portfolio. For West Slope new supply development, a cost of \$5,900/acre-foot was assumed based on the same cost assumptions for those associated with the West Slope IPPs.

The exercise below is used for demonstration purposes only and is not intended to provide actual calculations of actual strategies or actual dollar calculations.

<b>Status Quo Portfolio for Medium Demand / Medium Supply Scenario</b>				
	<b>Statewide</b>	<b>West Slope</b>	<b>East Slope</b>	<b>North Platte / Rio Grande</b>
<b>M&amp;I Needs (acre-feet)</b>				
M&I Water Needs	1,021,100	262,000	748,000	11,100
Self-Supplied Industrial (SSI) Water Needs	84,000	45,000	39,000	0
Oil Shale Water Needs	<u>61,000</u>	<u>61,000</u>	<u>0</u>	<u>0</u>
<b>Total M&amp;I Needs</b>	<b>1,166,100</b>	<b>368,000</b>	<b>787,000</b>	<b>11,100</b>
<b>Strategies</b>				
Passive Conservation	101,400	13,000	87,000	1,400
IPPs	300,900	95,000	202,000	3,900
Active Conservation	3,000	3,000	0	0
Land Use	35,000	0	35,000	0
New Supply Development	258,000	258,000	0	0
Agriculture Transfers	311,800	0	306,000	5,800
Reuse	<u>156,000</u>	<u>0</u>	<u>156,000</u>	<u>0</u>
<b>Total Strategies</b>	<b>1,166,100</b>	<b>369,000</b>	<b>786,000</b>	<b>11,100</b>

<b>Cost Estimate for Status Quo Portfolio for Medium Demand / Medium Supply Scenario</b>	
IPPs	\$3,425,510,000
Conservation	31,800,000
Agricultural Transfers	12,240,000,000
New Supply Development	<u>2,171,200,000</u>
	\$17,868,510,000
Cost/ acre-foot	\$15,323

<b>Alternative Scenario Portfolio</b>				
	<b>Statewide</b>	<b>West Slope</b>	<b>East Slope</b>	<b>North Platte / Rio Grande</b>
<b>M&amp;I Needs (acre-feet)</b>				
M&I Water Needs	1,021,100	262,000	748,000	11,100
Self-Supplied Industrial (SSI) Water Needs	84,000	45,000	39,000	0
Oil Shale Water Needs	<u>61,000</u>	<u>61,000</u>	<u>0</u>	<u>0</u>
<b>Total M&amp;I Needs</b>	<b>1,166,100</b>	<b>368,000</b>	<b>787,000</b>	<b>11,100</b>
<b>Strategies</b>				
Passive Conservation	101,400	13,000	87,000	1,400
IPPs	350,900	95,000	252,000	3,900
Active Conservation	69,200	39,000	30,000	200
Land Use	35,000	0	35,000	0
New Supply Development/Reuse	438,000	221,000	217,000	0
Agriculture Transfers	104,600	0	99,000	5,600
Reuse	<u>67,000</u>	<u>0</u>	<u>67,000</u>	<u>0</u>
<b>Total Strategies</b>	<b>1,166,100</b>	<b>368,000</b>	<b>787,000</b>	<b>11,100</b>

<b>Cost Estimate for Alternative Scenario Portfolio</b>	
IPPs	\$4,111,510,000
Conservation	742,000,000
Agricultural Transfers	3,380,850,000
New Supply Development	<u>5,823,200,000</u>
	\$14,057,560,000
Cost/ acre-foot	\$12,055

Appendix - A  
 FY 2011-12  
 Joint Budget Committee Budget Figure Setting  
 Department of Natural Resources  
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
<b>DEPARTMENT OF NATURAL RESOURCES</b>					
<b>Executive Director: Mike King</b>					
<b>(1) EXECUTIVE DIRECTOR'S OFFICE</b>					
Primary functions: provides budgeting, accounting, financial management, human resources, information technology, public information, and environmental education coordination for all divisions. Cash fund sources include various funds as reflected in individual division descriptions. Reappropriated funds is comprised of statewide and departmental indirect cost recoveries.					
<b>(A) Administration and Information Technology Services</b>					
Personal Services	4,701,517	5,123,817	3,745,073	3,672,843	NP-4; BRI-2
FTE	<u>54.6</u>	<u>56.2</u>	<u>43.8</u>	<u>43.8</u>	
General Fund	0	85,690	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	4,701,517	5,038,127	3,745,073	3,672,843	
Health, Life, and Dental	<u>7,931,687</u>	<u>9,030,537</u>	<u>8,607,587</u>	<u>9,002,760</u>	NP-2; BRI-1
General Fund	1,797,593	1,833,678	1,799,806	1,507,542	
Cash Funds	5,185,616	6,125,183	5,554,144	5,747,200	
Reappropriated Funds	292,835	325,693	246,475	393,343	
Federal Funds	655,643	745,983	1,007,162	1,354,675	
Short-term Disability	<u>129,011</u>	<u>123,206</u>	<u>131,014</u>	<u>156,469</u>	BRI-1
General Fund	26,620	23,577	25,925	27,204	
Cash Funds	86,582	84,920	89,956	104,712	
Reappropriated Funds	5,607	5,163	3,915	5,260	
Federal Funds	10,202	9,546	11,218	19,293	
S.B. 04-257 Amortization Equalization Disbursement	<u>1,599,591</u>	<u>1,739,502</u>	<u>2,023,033</u>	<u>2,475,233</u>	BRI-1
General Fund	327,083	360,735	395,845	430,353	
Cash Funds	1,077,935	1,141,612	1,392,875	1,656,463	
Reappropriated Funds	69,014	86,784	60,612	83,210	
Federal Funds	125,559	150,371	173,701	305,207	

Appendix - A  
FY 2011-12  
Joint Budget Committee Budget Figure Setting  
Department of Natural Resources

(EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
S.B. 06-235 Supplemental AED	<u>743,881</u>	<u>1,083,002</u>	<u>1,472,224</u>	<u>1,989,027</u>	BRI-1
General Fund	147,392	221,444	285,733	345,820	
Cash Funds	505,282	713,508	1,015,638	1,331,086	
Reappropriated Funds	32,351	54,240	44,196	66,865	
Federal Funds	58,856	93,810	126,657	245,256	
Salary Survey and Senior Executive Service	<u>3,303,727</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	593,316	0	0	0	
Cash Funds	2,461,589	0	0	0	
Reappropriated Funds	173,652	0	0	0	
Federal Funds	75,170	0	0	0	
Performance-based Pay Awards	<u>1,428,940</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	324,273	0	0	0	
Cash Funds	997,742	0	0	0	
Reappropriated Funds	66,259	0	0	0	
Federal Funds	40,666	0	0	0	
Shift Differential	<u>18,743</u>	<u>9,801</u>	<u>24,774</u>	<u>23,643</u>	BRI-1
General Fund	5,182	2,297	4,650	0	
Cash Funds	13,561	7,504	20,124	23,643	
Workers' Compensation	<u>1,193,258</u>	<u>1,697,802</u>	<u>1,722,323</u>	<u>1,703,402</u>	BRI-1
General Fund	152,872	224,577	301,919	241,901	
Cash Funds	1,039,018	1,442,548	1,367,147	1,394,763	
Reappropriated Funds	0	25,284	24,913	29,513	
Federal Funds	1,368	5,393	28,344	37,225	
Operating Expenses	<u>1,190,066</u>	<u>1,132,756</u>	<u>1,241,241</u>	<u>1,241,404</u>	NP-1
Cash Funds	976,443	932,014	1,060,977	1,060,977	
Reappropriated Funds	193,286	150,532	174,927	175,090	
Federal Funds	20,337	50,210	5,337	5,337	
Legal Services	3,095,965	3,295,151	3,331,732	3,331,732	BRI-1
<i>Hours Equivalent</i>	<u>41,225</u>	<u>43,714</u>	<u>45,410</u>	<u>45,410</u>	

Appendix - A  
FY 2011-12  
Joint Budget Committee Budget Figure Setting  
Department of Natural Resources

(EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
General Fund	826,299	822,587	810,804	806,695	
Cash Funds	2,219,498	2,428,117	2,433,572	2,437,681	
Reappropriated Funds	12,500	34,331	38,299	38,299	
Federal Funds	37,668	10,116	49,057	49,057	
Administrative Law Judge Services - RF	0	0	0	0	
Purchase of Services from Computer Center	<u>686,562</u>	<u>647,003</u>	<u>5,057,315</u>	<u>5,357,942</u>	BRI-1
General Fund	9,533	6,483	674,985	435,619	
Cash Funds	519,710	480,805	3,067,287	3,295,368	
Reappropriated Funds	157,319	159,715	1,219,091	1,522,729	
Federal Funds	0	0	95,952	104,226	
Multiuse Network Payments	<u>1,058,888</u>	<u>1,058,888</u>	<u>2,162,902</u>	<u>2,165,545</u>	BRI-1
General Fund	257,730	211,928	238,620	134,923	
Cash Funds	731,043	782,309	1,280,296	1,385,125	
Reappropriated Funds	62,113	59,340	535,856	537,065	
Federal Funds	8,002	5,311	108,130	108,432	
Management and Administration of OIT	<u>226,424</u>	<u>203,947</u>	<u>537,388</u>	<u>548,650</u>	BRI-1
General Fund	47,835	43,053	11,018	2,632	
Cash Funds	165,212	147,603	286,129	299,080	
Reappropriated Funds	8,417	8,538	234,566	240,707	
Federal Funds	4,960	4,753	5,675	6,231	
Payment to Risk Management & Property Funds	<u>1,168,937</u>	<u>963,820</u>	<u>351,612</u>	<u>975,604</u>	BRI-1
General Fund	209,005	140,499	42,552	85,112	
Cash Funds	924,260	796,465	298,971	864,504	
Reappropriated Funds	27,698	20,325	6,317	14,853	
Federal Funds	7,974	6,531	3,772	11,135	
Vehicle Lease Payments	<u>2,385,420</u>	<u>2,945,589</u>	<u>3,379,881</u>	<u>2,999,755</u>	NP-3; BRI-1
General Fund	365,017	402,886	422,970	303,560	
Cash Funds	1,979,301	2,485,425	2,899,615	2,642,363	
Reappropriated Funds	0	0	0	0	

Appendix - A  
FY 2011-12  
Joint Budget Committee Budget Figure Setting  
Department of Natural Resources  
(EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
Federal Funds	41,102	57,278	57,296	53,832	
Information Technology Asset Maintenance	<u>276,478</u>	<u>282,115</u>	<u>282,477</u>	<u>266,989</u>	BRI-1; BRI-4
General Fund	53,746	53,383	53,746	31,628	
Cash Funds	125,957	125,958	125,957	144,823	
Reappropriated Funds	84,539	90,538	90,538	90,538	
Federal Funds	12,236	12,236	12,236	0	
Leased Space	<u>1,196,145</u>	<u>1,185,090</u>	<u>1,311,484</u>	<u>1,366,140</u>	DI-6; BRI-1
General Fund	489,254	501,682	524,396	536,714	
Cash Funds	682,766	657,327	760,714	801,645	
Reappropriated Funds	0	0	0	0	
Federal Funds	24,125	26,081	26,374	27,781	
Capitol Complex Leased Space	<u>866,705</u>	<u>867,258</u>	<u>851,397</u>	<u>911,218</u>	BRI-1
General Fund	243,501	239,471	241,965	227,478	
Cash Funds	348,807	352,829	325,029	393,411	
Reappropriated Funds	169,706	170,071	166,960	178,691	
Federal Funds	104,691	104,887	117,443	111,638	
Communications Services Payments	<u>988,238</u>	<u>988,238</u>	<u>981,206</u>	<u>1,000,327</u>	BRI-1
General Fund	117,207	117,207	110,050	0	
Cash Funds	871,031	871,031	871,156	1,000,327	
Reappropriated Funds	0	0	0	0	
					<b>Request vs. Appropriation</b>
<b>(1) (A) Administration and Information</b>					
<b>Technology Services</b>	34,190,183	32,377,522	37,214,663	39,188,683	5.3%
FTE	<u>54.6</u>	<u>56.2</u>	<u>43.8</u>	<u>43.8</u>	<u>0.0</u>
General Fund	5,993,458	5,291,177	5,944,984	5,117,181	-13.9%
Cash Funds	20,911,353	19,575,158	22,849,587	24,583,171	7.6%
Cash Funds Exempt / Reappropriated Funds	6,056,813	6,228,681	6,591,738	7,049,006	6.9%
Federal Funds	1,228,559	1,282,506	1,828,354	2,439,325	33.4%

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(EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
<b>(E) S.B. 08-168 (Species Cons. Trust Fund) - CF <sup>1</sup></b>	1,059,022	0	0	0	n/a
<b>(F) H.B. 09-1289 (Species Cons. Trust Fund) - CF <sup>1</sup></b>	0	2,871,280	0	0	n/a
<b>(G) H.B. 10-1398 (Species Cons. Trust Fund) - CF <sup>1</sup></b>	0	0	8,000,000	0	-100.0%
					<b>Request vs. Appropriation</b>
<b>(I) EXECUTIVE DIRECTOR'S OFFICE</b>					
- SUBTOTAL	35,249,205	35,248,802	45,214,663	39,188,683	-13.3%
FTE	<u>54.6</u>	<u>56.2</u>	<u>43.8</u>	<u>43.8</u>	<u>0.0</u>
General Fund	5,993,458	5,291,177	5,944,984	5,117,181	-13.9%
Cash Funds	21,970,375	22,446,438	30,849,587	24,583,171	-20.3%
Reappropriated Funds	6,056,813	6,228,681	6,591,738	7,049,006	6.9%
Federal Funds	1,228,559	1,282,506	1,828,354	2,439,325	33.4%
					<b>Appropriation</b>
<b>(A) State Park Operations</b>	24,081,146	23,472,634	24,458,811	24,367,723	DI-6; DI-7; NP-1; NP-4; BRI-1
FTE	<u>252.7</u>	<u>246.7</u>	<u>255.7</u>	<u>255.7</u>	
General Fund	5,614,271	1,475,893	1,643,963	0	
Cash Funds	18,106,950	21,591,321	22,369,459	23,922,334	
Reappropriated Funds	0	0	0	0	
Federal Funds	359,925	405,420	445,389	445,389	
					<b>Appropriation</b>
<b>(A) State Park Operations - Subtotal</b>	24,081,146	23,472,634	24,458,811	24,367,723	-0.4%
FTE	<u>252.7</u>	<u>246.7</u>	<u>255.7</u>	<u>255.7</u>	<u>0.0</u>
General Fund	5,614,271	1,475,893	1,643,963	0	-100.0%
Cash Funds	18,106,950	21,591,321	22,369,459	23,922,334	6.9%

<sup>1</sup> Actual expenditures for the Species Conservation Trust Fund bills include expenditures from multiple bills from prior years.

**(6) PARKS AND OUTDOOR RECREATION**

Primary function: manages new and existing parks and various recreation programs throughout the State. Cash fund sources include the Parks Cash Fund, direct lottery distribution, GOCO grants, Off-highway Vehicle Cash Fund, and other special purpose cash funds.



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	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
Reappropriated Funds	0	0	0	0	n/a
Federal Funds	359,925	405,420	445,389	445,389	0.0%
<b>(B) Great Outdoors Colorado (GOCO) Board Grants</b>					
Land and Water Protection	460,714	353,813	709,000	709,000	
FTE	<u>1.3</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds	460,714	353,813	709,000	709,000	
Reappropriated Funds	0	0	0	0	
Operations and Maintenance	1,571,605	1,888,545	1,969,000	1,969,000	
FTE	<u>13.2</u>	<u>12.3</u>	<u>14.5</u>	<u>14.5</u>	
Cash Funds	1,571,605	1,888,545	1,969,000	1,969,000	
Reappropriated Funds	0	0	0	0	
Statewide Programs	1,109,812	1,135,002	1,657,000	1,657,000	
FTE	<u>4.5</u>	<u>5.0</u>	<u>6.0</u>	<u>6.0</u>	
Cash Funds	1,109,812	1,135,002	1,657,000	1,657,000	
Reappropriated Funds	0	0	0	0	
					<b>Request vs. Appropriation</b>
<b>(B) GOCO Board Grants - Subtotal</b>	3,142,131	3,377,360	4,335,000	4,335,000	0.0%
FTE	<u>19.0</u>	<u>19.3</u>	<u>22.5</u>	<u>22.5</u>	<u>0.0</u>
Cash Funds	3,142,131	3,377,360	4,335,000	4,335,000	0.0%
Reappropriated Funds	0	0	0	0	n/a
<b>(C) Special Purpose</b>					
Snowmobile Program - CF	839,911	854,351	1,003,027	1,003,654	NP-4
FTE	0.2	1.0	1.3	1.3	
River Outfitters Regulation - CF	71,931	70,920	74,466	142,966	
Off-Highway Vehicle Program - CF	255,818	238,408	532,000	532,694	NP-4
FTE	3.0	2.3	3.0	3.0	

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	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
Federal Grants - FF	886,472	533,145	518,516	750,000	
S.B. 03-290 Enterprise Fund	<u>277,455</u>	<u>239,508</u>	<u>200,000</u>	<u>200,000</u>	
Cash Funds	277,455	239,508	200,000	200,000	
Reappropriated Funds	0	0	0	0	
System Operations and Support	<u>626,153</u>	<u>545,289</u>	<u>735,000</u>	<u>735,000</u>	
Cash Funds	626,153	545,289	735,000	735,000	
Reappropriated Funds	0	0	0	0	
Connectivity at State Parks	<u>343,959</u>	<u>179,319</u>	<u>370,000</u>	<u>370,000</u>	
Cash Funds	343,959	179,319	370,000	370,000	
Reappropriated Funds	0	0	0	0	
Asset Management	<u>298,279</u>	<u>347,161</u>	<u>300,000</u>	<u>300,000</u>	
Cash Funds	298,279	347,161	300,000	300,000	
Reappropriated Funds	0	0	0	0	
Voice Over Internet Protocol	<u>1,242</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	1,242	0	0	0	
Reappropriated Funds	0	0	0	0	
Law Enforcement Equipment	<u>0</u>	<u>0</u>	<u>126,780</u>	<u>0</u>	
Cash Funds	0	0	126,780	0	
Reappropriated Funds	0	0	0	0	
Natural Resource Protection	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>600,000</u>	
Cash Funds	NA	0	150,000	150,000	
Federal Funds	NA	0	450,000	450,000	
Miscellaneous Small Projects - CF	NA	0	2,000,000	2,000,000	
Trails Grants	<u>0</u>	<u>0</u>	<u>2,500,000</u>	<u>2,700,000</u>	
Cash Funds	NA	0	1,600,000	1,800,000	
Federal Funds	NA	0	900,000	900,000	

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	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
Off-highway Vehicle Grants - CF	NA	0	4,000,000	4,000,000	
S.B. 08-226 Aquatic Nuisance Species - CF	1,788,660	2,120,613	2,675,502	2,677,067	NP-4
FTE	7.0	7.0	7.0	7.0	
Indirect Cost Assessment	<u>1,457,729</u>	<u>1,392,189</u>	<u>1,352,541</u>	<u>1,522,565</u>	
Cash Funds	1,283,850	1,222,324	1,273,641	1,475,396	
Federal Funds	173,879	169,865	78,900	47,169	
					<b>Request vs. Appropriation</b>
<b>(C) Special Purpose - Subtotal</b>	6,847,609	6,520,903	16,987,832	17,533,946	3.2%
FTE	<u>10.2</u>	<u>10.3</u>	<u>11.3</u>	<u>11.3</u>	<u>0.0</u>
Cash Funds	5,787,258	5,817,893	15,040,416	15,386,777	2.3%
Reappropriated Funds	0	0	0	0	n/a
Federal Funds	1,060,351	703,010	1,947,416	2,147,169	10.3%
					<b>Request vs. Appropriation</b>
<b>(6) PARKS AND OUTDOOR RECREATION</b>					
<b>- SUBTOTAL</b>	34,070,886	33,370,897	45,781,643	46,236,669	1.0%
FTE	<u>281.9</u>	<u>276.3</u>	<u>289.5</u>	<u>289.5</u>	<u>0.0</u>
General Fund	5,614,271	1,475,893	1,643,963	0	-100.0%
Cash Funds	27,036,339	30,786,574	41,744,875	43,644,111	4.5%
Reappropriated Funds	0	0	0	0	n/a
Federal Funds	1,420,276	1,108,430	2,392,805	2,592,558	8.3%
<b>(7) COLORADO WATER CONSERVATION BOARD</b>					
Primary Functions: Responsible for water development and planning, as well as floodplain management.					
The primary cash fund source is the Colorado Water Conservation Board Construction Fund.					
<b>(A) Administration</b>					
Personal Services	2,612,940	2,696,057	2,903,217	2,892,386	NP-4
FTE	<u>28.8</u>	<u>30.3</u>	<u>30.0</u>	<u>30.0</u>	
Cash Funds	2,316,913	2,400,030	2,607,190	2,596,359	

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	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
Reappropriated Funds	296,027	296,027	296,027	296,027	
Operating Expenses	<u>99,743</u>	<u>85,366</u>	<u>95,190</u>	<u>486,007</u>	
Cash Funds	99,743	85,366	95,190	486,007	
Reappropriated Funds	0	0	0	0	
Interstate Compacts	<u>342,085</u>	<u>327,989</u>	<u>350,071</u>	<u>0</u>	
Cash Funds	342,085	327,989	350,071	0	
Reappropriated Funds	0	0	0	0	
Western States Water Council Dues	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>	<u>0</u>	
Cash Funds	27,500	27,500	27,500	0	
Reappropriated Funds	0	0	0	0	
River Decision Support Systems	532,532	535,327	453,165	453,165	NP-4
FTE	<u>5.0</u>	<u>5.0</u>	<u>4.0</u>	<u>4.0</u>	
Cash Funds	532,532	535,327	453,165	453,165	
Reappropriated Funds	0	0	0	0	
					<b>Request vs. Appropriation</b>
<b>(A) Administration - Subtotal</b>	3,614,800	3,672,239	3,829,143	3,831,558	0.1%
FTE	<u>33.8</u>	<u>35.3</u>	<u>34.0</u>	<u>34.0</u>	<u>0.0</u>
Cash Funds	3,318,773	3,376,212	3,533,116	3,535,531	0.1%
Reappropriated Funds	296,027	296,027	296,027	296,027	0.0%
<b>(B) Special Purpose</b>					
Intrastate Water Management and Development - CF	450,655	207,700	470,464	470,464	
Federal Emergency Management Assistance	126,344	120,375	144,147	143,826	NP-4
FTE	<u>2.0</u>	<u>1.8</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds (CWCB)	13,941	0	13,593	13,941	
Reappropriated Funds (CWCB)	0	0	0	0	
Federal Funds	112,403	120,375	130,554	129,885	

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	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
Weather Modification - CF (Fees)	11,035	7,148	25,000	25,000	
Water Conservation Program	219,008	238,993	283,777	283,777	NP-4
FTE	<u>2.8</u>	<u>3.0</u>	<u>4.0</u>	<u>4.0</u>	
Cash Funds (CWCB)	219,008	238,993	283,777	283,777	
Reappropriated Funds (CWCB)	0	0	0	0	
H.B. 05-1254 Water Efficiency Grant Program	523,449	266,153	600,029	600,029	
FTE	<u>0.0</u>	<u>0.9</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds (CWCB)	523,449	266,153	600,029	600,029	
Reappropriated Funds (CWCB)	0	0	0	0	
Severance Tax Fund - CF	1,226,627	1,249,037	1,275,500	1,275,500	
Interbasin Compacts (HB 06-1400) - CF	683,022	651,947	1,145,067	1,145,067	
FTE	3.0	3.6	3.7	3.7	
Platte River Basin Cooperative Agreement	226,452	167,688	230,899	233,418	
FTE	<u>1.0</u>	<u>0.8</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds (CWCB)	226,452	167,688	230,899	233,418	
Reappropriated Funds (CWCB)	0	0	0	0	
S.B. 02-87 Colorado Watershed Protection Fund	<u>86,945</u>	<u>174,429</u>	<u>119,942</u>	<u>119,942</u>	
Cash Funds	86,945	174,429	119,942	119,942	
Reappropriated Funds	0	0	0	0	
Indirect Cost Assessment	<u>431,770</u>	<u>507,619</u>	<u>510,508</u>	<u>588,749</u>	
Cash Funds (CWCB)	425,523	472,542	501,706	577,833	
Reappropriated Funds (CWCB)	0	0	0	0	
Federal Funds	6,247	35,077	8,802	10,916	
Water Construction Fund Bill <sup>1</sup>	<u>5,357,474</u>	<u>6,447,323</u>	<u>12,975,000</u>	<u>0</u>	
Cash Funds	5,357,474	6,447,323	12,975,000	0	

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	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
Reappropriated Funds	0	0	0	0	
					<b>Request vs. Appropriation</b>
<b>(B) Special Purpose - Subtotal</b>	9,342,781	10,038,412	17,780,333	4,885,772	-72.5%
FTE	<u>8.8</u>	<u>10.1</u>	<u>11.7</u>	<u>11.7</u>	<u>0.0</u>
Cash Funds	9,224,131	9,882,960	17,640,977	4,744,971	-73.1%
Cash Funds Exempt / Reappropriated Funds	0	0	0	0	n/a
Federal Funds	118,650	155,452	139,356	140,801	1.0%
<p>Funding for this area is provided through a special bill: the annual water projects bill (H.B. 10-1250). Since the amount for the FY 2011-12 bill is not known at this time, the Department's request appears to be lower by the amount of the FY 2010-11 appropriation.</p>					
					<b>Request vs. Appropriation</b>
<b>(7) COLORADO WATER CONSERVATION BOARD</b>					
- SUBTOTAL	12,957,581	13,710,651	21,609,476	8,717,330	-59.7%
FTE	<u>42.6</u>	<u>45.4</u>	<u>45.7</u>	<u>45.7</u>	<u>0.0</u>
Cash Funds	12,542,904	13,259,172	21,174,093	8,280,502	-60.9%
Cash Funds Exempt / Reappropriated Funds	296,027	296,027	296,027	296,027	0.0%
Federal Funds	118,650	155,452	139,356	140,801	1.0%
<b>(8) WATER RESOURCES DIVISION ("State Engineer's Office")</b>					
Primary functions: responsible for administration of the State's water resources.					
Cash funds include the Groundwater Management Cash Fund, Well Inspection Cash Fund and CWCB Construction Fund.					
Personal Services	17,706,890	17,526,319	17,798,948	17,404,582	NP-4; BRI-2
FTE	<u>244.6</u>	<u>239.0</u>	<u>243.1</u>	<u>243.1</u>	
General Fund	17,544,755	17,173,432	17,283,116	16,882,909	
Cash Funds (Mostly Gr. Water Management Fee)	162,135	349,262	515,832	521,673	
Cash Funds Exempt / Reappropriated Funds	0	3,625	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>1,437,146</u>	<u>1,378,515</u>	<u>1,399,974</u>	<u>1,400,915</u>	NP-1
General Fund	932,876	991,041	960,466	961,407	
Cash Funds	504,270	387,439	439,508	439,508	
Cash Funds Exempt / Reappropriated Funds	0	35	0	0	

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	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
Interstate Compacts - General Fund	76,002	75,993	76,002	76,002	
Republican River Compact Compliance	273,051	314,254	316,704	307,872	NP-4; BRI-2
FTE	<u>2.2</u>	<u>4.2</u>	<u>5.0</u>	<u>5.0</u>	
General Fund	186,655	314,254	316,704	307,872	
Cash Funds - Well Enforcement Cash Fund	86,396	0	0	0	
Satellite Monitoring System	367,614	393,881	398,987	395,347	NP-4; BRI-2
FTE	<u>2.0</u>	<u>1.9</u>	<u>2.0</u>	<u>2.0</u>	
General Fund	204,834	211,890	194,098	190,458	
Cash Funds - Satellite Monitoring System CF and CWCB	162,780	181,991	204,889	204,889	
Augmentation of Water for Sand and Gravel Extraction - CF	17,184	25,835	44,400	44,400	
Dam Emergency Repair - H.B. 92-1131 - Cash Funds	0	0	50,000	50,000	
Federal Grant - FF (FEMA and USGS)	69,345	130,268	133,422	126,042	
River Decision Support Systems	345,811	381,382	205,391	205,390	NP-4
FTE	<u>3.0</u>	<u>3.6</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds	345,811	381,382	205,391	205,390	
Reappropriated Funds	0	0	0	0	
H.B. 03-1334 Temporary Interruptible Water Supply Agreements - CF	0	0	61,589	61,589	
S.B. 04-225 Well Enforcement - CF	0	0	1,489	1,489	
Indirect Cost Assessment	<u>59,540</u>	<u>45,847</u>	<u>33,908</u>	<u>47,027</u>	
Cash Funds	56,062	40,849	32,270	43,946	
Reappropriated Funds	0	0	0	0	
Federal Funds	3,478	4,998	1,638	3,081	
Expenditure of Water Project Bill Funds	<u>267,088</u>	<u>0</u>	<u>250,000</u>	<u>0</u>	

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	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
Cash Funds (CWCB)	267,088	0	250,000	0	
Reappropriated Funds (CWCB)	0	0	0	0	
					<b>Request vs. Appropriation</b>
<b>(8) WATER RESOURCES DIVISION - SUBTOTAL</b>	20,619,671	20,272,294	20,770,814	20,120,655	-3.1%
FTE	<u>251.8</u>	<u>248.7</u>	<u>252.1</u>	<u>252.1</u>	<u>0.0</u>
General Fund	18,945,122	18,766,610	18,830,386	18,418,648	-2.2%
Cash Funds	1,601,726	1,366,758	1,805,368	1,572,884	-12.9%
Reappropriated Funds	0	3,660	0	0	n/a
Federal Funds	72,823	135,266	135,060	129,123	-4.4%
<b>(9) DIVISION OF WILDLIFE</b>					
Primary Function: Supports protection and management wildlife and related habitats; coordinates management of hunting, fishing, and watchable recreation programs; and provides education on wildlife and wildlife recreation. Cash funds exempt are primarily from hunting and fishing license fees as well as GOCO Board grants.					
<b>(A) Division Operations</b>					
(1) Director's Office	1,811,065	1,597,443	2,028,560	2,031,066	NP-4
FTE	<u>13.1</u>	<u>12.9</u>	<u>18.0</u>	<u>18.0</u>	
Cash Funds	1,656,905	1,337,039	1,911,616	1,915,897	
Reappropriated Funds	0	0	0	0	
Federal Funds	154,160	260,404	116,944	115,169	
(2) Wildlife Management	65,366,675	64,005,276	65,832,921	64,258,695	NP-4; BRI-1
FTE	<u>581.1</u>	<u>567.8</u>	<u>551.4</u>	<u>551.4</u>	
Cash Funds	53,734,282	49,938,494	55,680,686	54,184,072	
Reappropriated Funds	0	0	0	0	
Federal Funds	11,632,393	14,066,782	10,152,235	10,074,623	
(3) Technical Services	6,272,375	5,639,889	6,497,912	6,516,774	NP-4
FTE	<u>57.7</u>	<u>53.5</u>	<u>60.0</u>	<u>60.0</u>	
Cash Funds	6,255,696	5,636,641	6,494,991	6,508,573	
Reappropriated Funds	0	0	0	0	
Federal Funds	16,679	3,248	2,921	8,201	



Appendix - A  
FY 2011-12  
Joint Budget Committee Budget Figure Setting  
Department of Natural Resources

(EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
(4) Information Technology	2,514,929	1,992,909	1,580,395	1,583,685	NP-1
FTE	<u>16.6</u>	<u>14.6</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds	2,514,929	1,992,909	1,580,395	1,583,685	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
					<b>Request vs. Appropriation</b>
<b>(A) Division Operations - Subtotal</b>	75,965,044	73,235,517	75,939,788	74,390,220	-2.0%
FTE	<u>668.5</u>	<u>648.8</u>	<u>631.4</u>	<u>631.4</u>	<u>0.0</u>
Cash Funds	64,161,812	58,905,083	65,667,688	64,192,227	-2.2%
Reappropriated Funds	0	0	0	0	n/a
Federal Funds	11,803,232	14,330,434	10,272,100	10,197,993	-0.7%
<b>(B) Special Purpose</b>					
Wildlife Commission Discretionary Fund	<u>159,626</u>	<u>0</u>	<u>160,000</u>	<u>160,000</u>	
Cash Funds	159,626	0	160,000	160,000	
Reappropriated Funds	0	0	0	0	
Game Damage Claims and Prevention	<u>1,184,914</u>	<u>1,186,480</u>	<u>1,282,500</u>	<u>1,282,500</u>	
Cash Funds	1,184,914	1,186,480	1,282,500	1,282,500	
Reappropriated Funds	0	0	0	0	
Instream Flow Program	<u>296,027</u>	<u>296,027</u>	<u>296,027</u>	<u>296,027</u>	
Cash Funds	296,027	296,027	296,027	296,027	
Reappropriated Funds	0	0	0	0	
Habitat Partnership Program	<u>2,146,531</u>	<u>2,236,253</u>	<u>2,500,000</u>	<u>2,500,000</u>	
Cash Funds	2,146,531	2,236,253	2,500,000	2,500,000	
Reappropriated Funds	0	0	0	0	
S.B. 08-226 Aquatic Nuisance Species - CF	1,364,172	1,872,538	1,304,544	1,304,544	
Grants and Habitat Partnerships - CF	NA	0	1,625,000	1,625,000	

Appendix - A  
FY 2011-12  
Joint Budget Committee Budget Figure Setting  
Department of Natural Resources

(EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2008-09 Actual	FY2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
Asset Maintenance and Repairs - CF	NA	0	606,880	606,880	
Indirect Cost Assessment - Total Funds	<u>2,982,528</u>	<u>3,230,271</u>	<u>3,507,100</u>	<u>3,597,623</u>	
Cash Funds	2,982,528	3,230,271	2,964,227	2,920,308	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	542,873	677,315	
					<b>Request vs. Appropriation</b>
<b>(B) Special Purpose - Subtotal</b>	<u>8,133,798</u>	<u>8,821,569</u>	<u>11,282,051</u>	<u>11,372,574</u>	<u>0.8%</u>
Cash Funds	8,133,798	8,821,569	10,739,178	10,695,259	-0.4%
Reappropriated Funds	0	0	0	0	n/a
Federal Funds	0	0	542,873	677,315	24.8%
					<b>Request vs. Appropriation</b>
<b>(9) DIVISION OF WILDLIFE - SUBTOTAL</b>	84,098,842	82,057,086	87,221,839	85,762,794	-1.7%
FTE	<u>668.5</u>	<u>648.8</u>	<u>631.4</u>	<u>631.4</u>	<u>0.0</u>
Cash Funds	72,295,610	67,726,652	76,406,866	74,887,486	-2.0%
Reappropriated Funds	0	0	0	0	n/a
Federal Funds	11,803,232	14,330,434	10,814,973	10,875,308	0.6%
					<b>Request vs. Appropriation</b>
<b>DEPARTMENT OF NATURAL RESOURCES (EDO, Parks, CWCB, WRD, and DOW)</b>					
TOTAL FUNDS	186,996,185	184,659,730	220,598,435	200,026,131	-9.3%
FTE	<u>1,299.4</u>	<u>1,275.4</u>	<u>1,262.5</u>	<u>1,262.5</u>	<u>0.0</u>
General Fund	30,552,851	25,533,680	26,419,333	23,535,829	-10.9%
Cash Funds	135,446,954	135,585,594	171,980,789	152,968,154	-11.1%
Reappropriated Funds	6,352,840	6,528,368	6,887,765	7,345,033	6.6%
Federal Funds	14,643,540	17,012,088	15,310,548	16,177,115	5.7%

**FY 2011-12 Joint Budget Committee Staff Budget Briefing**  
**Department of Natural Resources**  
**(Executive Director's Office, Parks and Outdoor Recreation, Colorado Water**  
**Conservation Board, Water Resources Division, Division of Wildlife)**

**APPENDIX B: SUMMARY OF MAJOR LEGISLATION**

- ❑ **S.B. 10-071 (Morse/Riesberg):** Creates an Aspen Leaf Lifetime Pass to Colorado State Parks for residents that meet the age requirement for the existing Aspen Leaf Annual Pass, which is currently 64 years or older. The price of the lifetime pass will be set by the Colorado State Parks Board, but cannot exceed 5 times the cost of the Aspen Leaf Annual Pass. Appropriates \$8,800 from the Parks and Outdoor Recreation Cash Fund to State Parks in FY 2010-11.
  
- ❑ **H.B. 10-1250 (Fischer/Hodge):** Appropriates \$13,225,000 cash funds from the Colorado Water Conservation Board (CWCB) Construction Fund to the Department of Natural Resources in FY 2010-11 for various water-related projects. Transfers \$300,000 from the CWCB Construction Fund to the Flood Response Fund in FY 2010-11. Transfers \$36.0 million dollars from the Perpetual Base Account of the Severance Tax Trust Fund to the CWCB Construction Fund for the purchase of all or a portion of Colorado's allotment of the Animas-La Plata Project water. The \$36.0 million dollars in transfers are to occur in three consecutive annual installments of \$12.0 million dollars on June 30 of each year, commencing June 30, 2011.
  
- ❑ **H.B. 10-1326 (Pommer/Tapia):** Makes the following adjustments to the authorization of appropriations from the Operational Account of the Severance Tax Trust Fund (Operational Account) for tax years beginning on or after July 1, 2009:
  - Decreases the authorization to the Colorado Oil and Gas Conservation Commission from up to 40 percent to up to 35 percent of the Operational Account;
  - Increases the authorization to the Division of Parks and Outdoor Recreation from up to 5 percent to up to 10 percent of the Operational Account; and
  - Allows the increased appropriation to the Division of Parks and Outdoor Recreation to supplant moneys that would otherwise be available to the Division of Parks and Outdoor Recreation.

Also makes the following adjustments:

- Decreases transfers from the Operational Account to the Water Supply Reserve Account by \$4.0 million in FY 2010-11 and by \$3.0 million in FY 2011-12. Transfers \$10.0 million in FY 2012-13 and beyond; and

- Decreases the FY 2009-10 Long Bill General Fund appropriation to the Division of Parks and Outdoor Recreation by \$2,147,415 and increases its cash fund appropriation from the Operational Account by the same amount.
- ❑ **H.B. 10-1327 (Pommer/White):** Transfers in FY 2009-10 to the General Fund \$2,000,000 from the Perpetual Base Account of the Severance Tax Trust Fund.
- ❑ **H.B. 10-1349:** Creates the Re-energize Colorado Program in the Division of Parks and Outdoor Recreation. The goal of the program is to generate or offset 100 percent of the division's electrical energy consumption by 2020 using energy resources on land owned, leased, or controlled by the Division of Parks and Outdoor Recreation. For purposes of meeting this goal, a qualifying retail utility can waive some of the existing limits placed on net metering and energy generated on a customer's property. Restricts any state agency from making retail sales, transmitting, or distributing electric energy between or among state agencies or properties. Authorizes the Department of Natural Resources to acquire lands under the control of the Division of Parks and Outdoor Recreation that have the potential to support renewable energy generation development. Directs the Public Utilities Commission to give the fullest possible consideration to approving projects developed under the Re-energize Colorado Program with particular attention to those projects that offer the prospect of job creation and local economic growth. Requires the Governor's Energy Office (GEO) to conduct a Geographic Information System (GIS) analysis to determine the optimum state park land for renewable energy development.

Creates the Renewable Resource Generation Development Areas Fund and authorizes the GEO to accept public and private gifts, grants, and donations to support the activities authorized under the bill. Appropriates \$50,000 federal funds to the Governor's Energy Office in FY 2010-11 for the implementation of the Geographic Information System analysis.

- ❑ **H.B. 10-1388 (Ferrandino/Tapia):** Transfers \$11,000,000 to the General Fund from the Perpetual Base Account of the Severance Tax Trust Fund in FY 2010-11.
- ❑ **H.B. 10-1398 (Fischer/Whitehead):** Appropriates \$4,500,000 from the Capital Account of the Species Conservation Trust Fund (Capital Account) and \$3,500,000 from the Operation and Maintenance Account of the Species Conservation Trust Fund (Operation and Maintenance Account) to the Department of Natural Resources for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species as determined by the United States Fish and Wildlife Service. Reduces the authorization contained in H.B. 09-1289 to obligate and expend \$500,000 of revenues from the Capital Account for the purpose of instream flow protection and transfers on July 1, 2010, \$500,000 to the Operation and Maintenance Account for the Upper Colorado River Recovery Program. Makes the following transfers from the Operational Account of the

Severance Tax Trust Fund to the Capital Account: reduces from \$4.0 million to \$3.0 million the transfer scheduled to occur on July 1, 2011; transfers \$4.5 million each year on July 1, 2012 and on July 1, 2013. Makes the following transfers from the Operational Account of the Severance Tax Trust Fund to the Operation and Maintenance Account: transfers \$1.0 million on July 1, 2011; and transfers \$2.5 million each year on July 1, 2012 and on July 1, 2013.

- ❑ **S.B. 09-024 (White/Sonnenberg & Curry):** Modifies the responsibilities of the Division of Wildlife with respect to game damage issues. As a result of the bill, the Division of Wildlife must: contact landowners within 48 hours and consult with the landowner within 5 business days of a damage prevention material request being filed; provide temporary game damage prevention materials within 15 business days of receiving a request; provide permanent game damage prevention materials within 45 business days of receiving a request, under certain circumstances; pay for damages that occur between the request of damage prevention materials and the receipt of damage prevention materials if the deadlines are not met. Appropriates \$600,000 from the Wildlife Cash Fund to the Division of Wildlife in FY 2008-09 and appropriates \$1,450,000 from the Wildlife Cash Fund to the Division of Wildlife in FY 2009-10.
- ❑ **S.B. 09-125 (Isgar/Curry):** Appropriates \$5,880,000 cash funds from the Colorado Water Conservation Board Construction Fund to the Department of Natural Resources in FY 2009-10 for various water-related projects. Gives the Colorado Water Conservation Board (CWCB) the authority to deauthorize grants previously approved by the General Assembly and use any remaining funds for other statutorily authorized purposes if a specific grant project has been completed or is no longer feasible. Creates the continuously appropriated Wild and Scenic Rivers Fund for the CWCB to use in developing a state alternative to the wild and scenic river designation under federal law for river preservation. Reduces an annual transfer from the Operational Account of the Severance Tax Trust Fund to the Interbasin Compact Committee Operation Fund beginning on July 1, 2009, from \$1,145,067 to \$745,067. Finally, extends a loan from two years to twelve years, initially issued in 2007 and totaling \$60,600,000 for the Southern Colorado Water Conservancy District Water Activity Enterprise Arkansas Valley Conduit Project.
- ❑ **S.B. 09-208 (Tapia/Pommer):** Transfers in FY 2008-09 the following to the General Fund: \$20,000,000 from the Perpetual Base Account of the Severance Tax Trust Fund and \$10,250,000 from the Colorado Water Conservation Board Construction Fund.
- ❑ **S.B. 09-279 (Tapia/Pommer):** Transfers in FY 2008-09 to the General Fund \$15,000,000 from the Perpetual Base Account of the Severance Tax Trust Fund and transfers in FY 2009-10 to the General Fund \$62,000,000 from the Perpetual Base Account of the Severance Tax Trust Fund.

- ❑ **H.B. 09-1017 (Pace/Hodge):** Clarifies the authority of the Colorado Water Conservation Board (CWCB) to operate the Water Efficiency Grant Program. The bill specifies that moneys in the Water Efficiency Grant Program Cash Fund are to be continuously appropriated to the CWCB for the grant program until the projects financed are completed or until June 30, 2012, whichever occurs first.
  
- ❑ **H.B. 09-1289 (Curry/Isgar):** Appropriates \$5,825,000 from the Capital Account of the Species Conservation Trust Fund and \$2,553,070 from the Operation and Maintenance Account of the Species Conservation Trust Fund to the Department of Natural Resources for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species as determined by the United States Fish and Wildlife Service.
  
- ❑ **S.B. 08-13 (Schwartz/Fischer): Severance Tax Trust Fund Operational Account Appropriations.** Reduces the maximum percentage of the Operational Account of the Severance Tax fund that may be appropriated to the Colorado Oil and Gas Conservation Commission and the Division of Reclamation, Mining, and Safety by five percent each. Allows appropriations from the Operational Account of the Severance Tax Fund of up to five percent of the balance to the Division of Wildlife to monitor, manage, mitigate, and research the impacts of mineral or mineral fuel production activities on wildlife, and up to five percent of the balance to the Division of Parks and Outdoor Recreation to operate, maintain, and improve state parks located in areas impacted by energy development. Appropriates from the Operational Account of the Severance Tax Fund to the Department of Natural Resources: \$1,234,058 for the Division of Parks and Outdoor Recreation; \$1,519,927 for the Division of Wildlife; and \$750,000 to construct a boat ramp at Nighthorse Reservoir.
  
- ❑ **S.B. 08-168 (Isgar/Curry): Species Conservation Trust Fund.** Appropriates \$11,163,886 from the Species Conservation Trust Fund (SCTF) to the Department of Natural Resources for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species as determined by the United States Fish and Wildlife Service. The bill also changes the funding of the SCTF by delaying a transfer from the Operational Account of the Severance Tax Trust Fund to the SCTF from FY 2007-08 to FY 2008-09 and changing the timing of transfers to the SCTF specified in S.B. 06-229.
  
- ❑ **S.B. 08-226 (Isgar/Butcher and McFadyen): Aquatic Nuisance Species Prohibition.** Authorizes regulations and penalties related to aquatic nuisance species. For FY 2008-09, transfers \$1,250,000 from the Wildlife Cash Fund plus \$2,667,244 from the Operational Account of the Severance Tax Trust Fund (total of \$3,917,244) to the newly created Division of Wildlife Aquatic Nuisance Species Fund, and appropriates the balance in the fund to the Division of Wildlife. In addition, for FY 2008-09, transfers \$3,289,392 from the Operational Account of the Severance Tax Trust Fund to the newly created Division

of Parks and Outdoor Recreation Aquatic Nuisance Species Fund and appropriates the balance in the fund to the Division of Parks and Outdoor Recreation. Reduces FY 2008-09 transfers from the Operational Account of the Severance Tax Trust Fund to the Species Conservation Trust Fund by \$750,000. For FY 2009-10 and every year thereafter, transfers from the Operational Account of the Severance Tax Trust Fund \$4,006,005 with \$2,701,461 for the Division of Parks and Outdoor Recreation Aquatic Nuisance Species Fund and \$41,304,544 for the Division of Wildlife Aquatic Nuisance Species Fund.

- **H.B. 08-1346 (Curry/Isgar): Funding for Colorado Water Conservation Board Projects.** Loans \$60,600,000 for the Republican River Water Conservation District Water Activity Enterprise - Republican River Compact Compliance Pipeline from the Severance Tax Trust Fund Perpetual Base Account. Loans \$11,217,060 for the Pagosa Area Water & Sanitation District Water Activity Enterprise - Dry Gulch Reservoir Project Land Purchase from the Colorado Water Conservation Board Construction Fund. Appropriates \$7,071,000 cash funds from the Colorado Water Conservation Board Construction Fund to the Department of Natural Resources in FY 2008-09 for various projects. Transfers \$1,000,000 from the Operational Account of the Species Conservation Trust Fund to the Colorado Water Conservation Board Construction Fund and appropriates this amount to the Colorado Water Conservation Board in the Department of Natural Resources to finance a tamarisk control cost-sharing grant program.

**FY 2011-12 Joint Budget Committee Staff Budget Briefing**  
**Department of Natural Resources**  
**(Executive Director's Office, Parks and Outdoor Recreation, Colorado Water**  
**Conservation Board, Water Resources Division, Division of Wildlife)**

**APPENDIX C: UPDATE OF FY 2010-11**  
**FOOTNOTES AND REQUESTS FOR INFORMATION**

**Long Bill Footnotes**

- 39 **Department of Natural Resources, Parks and Outdoor Recreation, Special Purpose, Off-highway Vehicle Grants** - It is the intent of the General Assembly that the appropriation to this line item remain available until the completion of the project or the close of FY 2012-13, whichever comes first.
- 40 **Department of Natural Resources, Division of Wildlife, Special Purpose, Grants and Habitat Partnerships** - It is the intent of the General Assembly that the appropriation to this line item remain available until the completion of the project or the close of FY 2012-13, whichever comes first.
- 41 **Department of Natural Resources, Division of Wildlife, Special Purpose, Asset Maintenance and Repairs** - It is the intent of the General Assembly that the appropriation to this line item remain available until the completion of the project or the close of FY 2012-13, whichever comes first.

**Comment:** The General Assembly approved a Department request with the FY 2010-11 budget to re-organize the capital construction budgets in State Parks and the Division of Wildlife and move part of their re-organized capital construction line items into the operating side of the budget. For three of the line items, the Department requested, and the General Assembly approved, footnotes stating that the specific funding stream appropriated in FY 2010-11 would remain available for expenditure for up to three fiscal years.

For the "Off-Highway Vehicle Grants" line item in the Parks and Outdoor Recreation budget, the General Assembly approved a footnote that authorizes three year spending authority in order to allow the Division enough time to select grant recipients and to account for weather events that may extend the project completion time to more than a year.

For the "Grants and Habitat Partnerships" and "Asset Maintenance and Repairs" line items in the Division of Wildlife budget, the General Assembly approved footnotes that authorize three year spending authority in order to allow the Division enough time to select grant recipients under the Pheasant Habitat Partnership Program (PHIP) and to



account for weather events that may extend the project completion time to more than a year.

## **Requests for Information**

- 1 All Departments, Totals --** Every department is requested to submit to the Joint Budget Committee, by November 1, 2010, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2009-10. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2010-11.

**Comment:** The Department provided staff with a verbal response stating that the Department does not have FTE funded through federal grants or private donations that are not reflected in the Long Bill for FY 2009-10 or the FY 2010-11 request.

- 49 Department of Natural Resources, Parks and Outdoor Recreation –** The Division of Parks and Outdoor Recreation is requested to provide the Joint Budget Committee with a report on division sources of revenue as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds used for operations and capital projects. The report is requested to be submitted by September 1, 2010.

**Comment:** The Department submitted two files in November, 2010, providing information on park revenue and expenditures by funding source. *Attachment A* provides a summary of the information provided by State Parks.

**COLORADO DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF PARKS AND OUTDOOR RECREATION**

**FY2009-10 State Parks Revenues and Expenditures - Consolidated**

FY2009-10	
<b>Revenues</b>	
Parks Passes and Entry Fees	9,304,125
Permits and User Fees	7,364,829
Sale of Goods, Services	580,412
Concession / Lease Income	1,177,042
Registration Fees - Boats	3,425,120
Registration Fees - Other	5,148,523
Federal Funds	4,010,696
State Funds (STAX, SCTF)	7,464,583
GOCO Parks Purpose	7,752,646
GOCO Other Purpose	-
Lottery 10% Distribution	11,294,157
Interest Income	707,619
Other Revenues	846,324
 Subtotal, Earned Revenue	<hr/> 59,076,075
 General Fund	2,373,023
 Total Revenues	<hr/> <b>61,449,098</b> <hr/>
 <b>Expenditures</b>	
Personal Services	
Permanent Salaries/Benefits	19,750,281
Temporary Employee Wages	5,100,150
Contract Personal Services	1,226,878
 Operating Expenses	
Supplies	1,380,995
Maintenance and Cleaning Services	2,240,215
Purchased Services	4,240,004
Travel / Vehicles	1,497,888
Utilities / Communications	2,015,815
Information Technology	567,026
Equipment	1,275,249
Cost of Goods Sold	479,211
Grants	5,518,981
Other	696,110
Transfers Out (Intergovernmental)	1,950,742
Subtotal, Operating	<hr/> 21,862,236
 Capital Construction	
Land, Water Acquisition	1,953,053
Contract Construction Services	5,366,855
Capital Improvements	-
Other Capital Construction	-
Subtotal Capital Construction	<hr/> 7,319,908
 Total Expenditures	<hr/> <b>55,259,454</b> <hr/>
 Net Income	<hr/> <b>6,189,644</b> <hr/>

**COLORADO DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF PARKS AND OUTDOOR RECREATION**

**Source and Use of Funds  
FY 09-10**

	Park Revenue	Registration	Federal	State	Lottery	GOCO	GF	Other	TOTAL Uses
<b>Expenditures</b>									
Personal Services									
Permanent Salaries/Benefits	14,440,786	217,918	1,126,136	1,237,645	0	1,244,061	1,483,737	0	19,750,281
Temporary Employee Wages	650,918	54,667	833,696	2,789,320	0	475,486	286,575	9,488	5,100,150
Contract Personal Services	174,462	3,295	15,374	55,360	858,927	109,006	9,069	1,385	1,226,878
Operating									
Supplies	253,347	79,845	24,698	214,335	376,424	342,809	64,963	24,575	1,380,995
Maintenance and Cleaning Services	182,603	9,307	69,412	100,461	1,102,867	716,636	42,172	16,757	2,240,215
Purchased Services	2,238,930	626,328	140,965	181,237	292,255	660,892	99,398	0	4,240,004
Travel / Vehicles	1,010,641	60,837	29,631	62,936	0	324,907	8,936	0	1,497,888
Utilities / Communications	952,348	7,010	13,925	43,743	214,110	646,411	138,268	0	2,015,815
Information Technology	0	371	189	392	565,326	0	748	0	567,026
Equipment	141,290	62,329	83,589	223,688	431,239	324,738	4,231	4,146	1,275,249
Cost of Goods Sold	0	0	0	0	0	0	0	479,211	479,211
Grants	143,319	2,921,510	816,696	469,782	355,203	812,473	0	0	5,518,981
Other	0	41,238	134,599	195,642	168,156	54,395	96,148	5,932	696,110
Transfers Out (Intergovernmental)	<u>332,379</u>	<u>0</u>	<u>169,865</u>	<u>1,309,719</u>	<u>0</u>	<u>0</u>	<u>138,780</u>	<u>0</u>	<u>1,950,742</u>
Subtotal, Operating	20,521,020	4,084,655	3,458,774	6,884,259	4,364,507	5,711,815	2,373,023	541,494	47,939,546
Capital Construction									
Land, Water Acquisition	0	0	3,083	0	0	1,949,970	0	0	1,953,053
Contract Construction Services	0	0	606,905	0	3,549,241	1,210,710	0	0	5,366,855
Capital Improvements	0	0	0	0	0	0	0	0	0
Other Capital Construction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Capital Construction	0	0	609,988	0	3,549,241	3,160,680	0	0	7,319,908
In/ Out of Fund Equity	161,960	1,843,520	(58,066)	580,324	3,380,410	(25,333)	0	638,804	6,521,618
Total Sources	<u>20,682,979</u>	<u>5,928,175</u>	<u>4,010,696</u>	<u>7,464,583</u>	<u>11,294,157</u>	<u>8,847,162</u>	<u>2,373,023</u>	<u>1,180,298</u>	<u>61,781,072</u>