

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2007-08 BRIEFING:**

**DEPARTMENT OF NATURAL RESOURCES**

**(Executive Director's Office, Division of Reclamation, Mining, and Safety,  
Parks & Outdoor Recreation, and Division of Wildlife)**

**JBC Working Document - Subject to Change**

**Staff Recommendation Does Not Represent Committee Decision**

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**December 6, 2006**

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**FY 2007-08 BUDGET BRIEFING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

**DEPARTMENT OF NATURAL RESOURCES  
(Executive Director's Office, Division of Mining Reclamation and Safety,  
Parks and Outdoor Recreation, Division of Wildlife)**

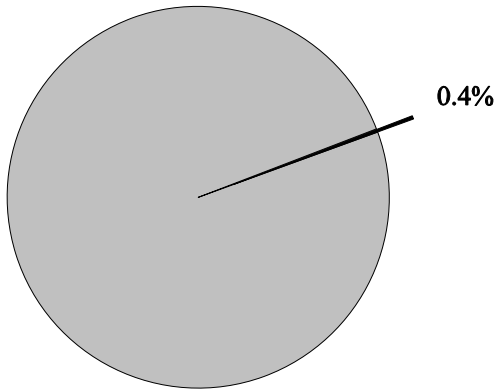
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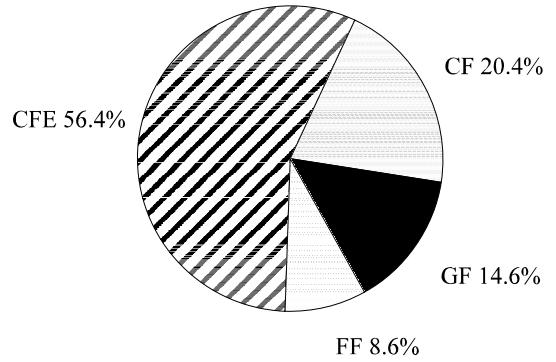
**FY 2007-08 BUDGET BRIEFING  
DEPARTMENT OF NATURAL RESOURCES**

**GRAPHIC OVERVIEW**

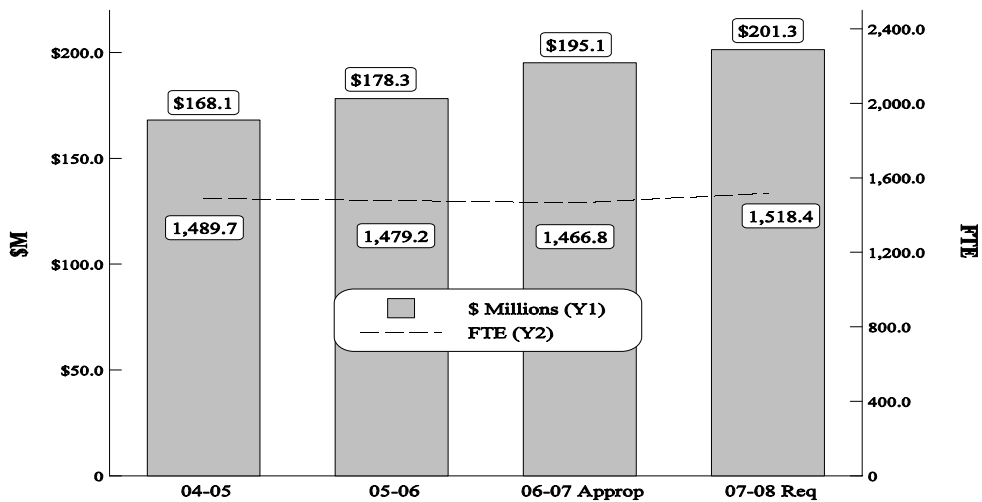
**Share of State General Fund  
FY 2006-07**



**Funding Source Split  
FY 2006-07**



**Budget History**



## DEPARTMENT OF NATURAL RESOURCES DEPARTMENT OVERVIEW

### Key Responsibilities

- ▶ 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 250 state wildlife areas.
- ▶ Manages 40 established state parks, three park projects, and various recreation areas.
- ▶ Regulates the development and reclamation of mining sites.

### Factors Driving the Budget

Total funding for the Department of Natural Resources in FY 2006-07 consists of 14.6 percent General Fund, 20.4 percent cash funds, 56.4 percent cash funds exempt, and 8.6 percent federal funds. The major factors driving the budget for the divisions included in this briefing are reviewed below.

#### **Division of Reclamation, Mining, and Safety**

This division includes the following four programs:

- **Coal Land Reclamation** -- This program protects society and the environment from the adverse effects of coal mining, as well as complying with the requirements of the federal Surface Mining Control and Reclamation Act.
- **Inactive Mines** -- This program safeguards mine openings, inspects and monitors mine sites, and reclaims abandoned mines. There are over 23,000 hazardous mine openings in Colorado, of which only about 7,000 have been sealed.
- **Minerals** -- This program issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands. The program permits and inspects non-coal mines in Colorado.
- **Mine Safety Training** -- This program regulates active mines for safety, inspects tourist mines, performs safety audits, administers certification programs for mining employees, provides training in mine rescue/safety, and regulates underground diesel equipment and mining explosives.

The following table summarizes some of the factors that drive the budget for this division.

<b>Division of Reclamation, Mining, and Safety</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	<b>FY 04-05</b>	<b>FY 05-06</b>	<b>FY 06-07 (Estimated)</b>
Coal Inspections	558	514	508	487	500
Coal Permitting Actions	183	190	243	289	294
Hazardous Abandoned Mine Openings Closed	215	300	296	234	250
Inactive Mine Sites Monitored	287	244	265	293	300
Monitoring Inspections Conducted on Hard Rock Mine Sites	481	498	474	443	25% of Total — TBD
Number of Miners Receiving Safety Training	2,734	5,496	6,456	8,386	7,500

### **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, which is established in Article XXVII of the Colorado Constitution. GOCO grants are not subject to legislative authority, and thus are reflected for informational purposes only. GOCO grants to the Division of Parks and Outdoor Recreation are used for developing new parks (capital construction) as well as enhancing and maintaining existing parks (operating budget). GOCO grants to the Division of Wildlife are used for species protection, habitat development, watchable wildlife, and educating the public about wildlife issues.

<b>Great Outdoors Colorado Board Grants</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	<b>FY 04-05</b>	<b>FY 05-06</b>	<b>FY 06-07</b>
Parks Capital Budget	\$2,942,000	\$11,360,000	\$9,183,000	\$8,860,000	\$4,175,000
Parks Operating Budget	<u>3,239,000</u>	<u>2,798,670</u>	<u>3,793,000</u>	<u>4,468,691</u>	<u>1,244,000</u>
Total GOCO Grants to Parks	\$6,181,000	\$14,158,670	\$12,976,000	\$13,328,691	\$5,419,000
<i>Percent of Parks' Expenditures</i>	<i>13.3%</i>	<i>25.9%</i>	<i>23.3%</i>	<i>23.5%</i>	<i>10.8%</i>
Wildlife Capital Budget	\$663,691	\$4,400,100	\$6,940,000	\$7,940,000	\$0
Wildlife Operating Budget	<u>6,563,731</u>	<u>8,091,026</u>	<u>8,060,000</u>	<u>8,060,000</u>	<u>5,040,000</u>
Total Grants to Wildlife	\$7,227,422	\$12,491,126	\$15,000,000	\$16,000,000	\$5,040,000
<i>Percent of DOW Expenditures</i>	<i>8.0%</i>	<i>15.9%</i>	<i>15.1%</i>	<i>16.1%</i>	<i>5.5%</i>

## **State Parks**

The number of visitors to Colorado's 43 state parks is a major factor that drives the budget for the Division of Parks and Outdoor Recreation. The General Fund appropriation has declined by \$1.4 million (19 percent) since FY 2000-01. However, the total funds appropriated for State Parks has increased by \$9.7 million (40 percent) since that time. General Fund reductions have been offset by increases in cash fees paid at parks and additional moneys provided through Great Outdoors Colorado and Lottery Proceeds.

<b>State Parks Funding Mix<sup>1/</sup></b>	<b>FY 02-03</b>	<b>FY 03-04</b>	<b>FY 04-05</b>	<b>FY 05-06</b>	<b>FY 06-07</b>
General Fund - State Parks	\$5,547,016	\$5,179,875	\$5,474,124	\$5,264,513	\$5,814,284
<i>Percent Change</i>	<i>n/a</i>	<i>-6.6%</i>	<i>5.7%</i>	<i>-3.8%</i>	<i>10.4%</i>
Total Funds - State Parks	\$27,928,789	\$28,526,665	\$29,510,933	\$31,907,594	\$34,131,714
<i>Percent Change</i>	<i>19.9%</i>	<i>2.1%</i>	<i>3.5%</i>	<i>8.1%</i>	<i>7.0%</i>
State Parks Visitation	10,542,719	10,926,432	11,477,697	11,249,000	11,475,000
<i>Percent Change</i>	<i>n/a</i>	<i>3.6%</i>	<i>5.0%</i>	<i>-2.0%</i>	<i>2.0%</i>

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

## **Division of Wildlife**

For FY 2006-07, the Division of Wildlife's \$78.0 million appropriation represents 40.5 percent of the Department's total operating budget. The following table describes the Division's various revenue sources.

<b>Division of Wildlife Revenue Sources</b>	<b>FY 04-05 Actual</b>	<b>FY 05-06 Actual</b>	<b>FY 06-07 Approp.</b>	<b>FY 07-08 Request</b>
Wildlife Cash Fund	\$60,154,727	\$62,102,174	\$58,858,618	\$60,564,487
Federal Funds	9,211,882	9,527,120	10,514,473	10,500,907
Great Outdoors Colorado (GOCO) Board Grants	7,981,530	7,885,458	5,040,000	6,200,000
Habitat Partnership Cash Fund	1,825,861	1,777,273	2,500,000	2,500,000
Species Conservation Trust Fund	1,677,104	0	0	0
Colorado Outdoor Magazine Subscriptions	529,397	550,000	550,000	550,000
Non-game Wildlife Voluntary Tax Contributions	500,000	500,000	500,000	500,000
Other	<u>118,600</u>	<u>57,243</u>	<u>1,078,000</u>	<u>1,065,000</u>
<b>Total DOW Budget</b>	<b>\$81,999,101</b>	<b>\$82,399,268</b>	<b>\$79,041,091</b>	<b>\$81,880,394</b>

## Summary of Major Legislation

The following list of special bills pertains only to the four divisions presented in this briefing document. For more information on recent legislation that appropriated moneys to the Department of Natural Resources, please refer to page 331 of the FY 2006-07 Appropriations Report.

- ✓ **S.B. 05-190 (Tochtrop / McFadyen): Abandoned Mine Reclamation Fund.** Authorizes an annual \$500,000 transfer from the Operational Account of the Severance Tax Trust Fund to clean up abandoned mining operations deemed to pose a high risk to the environment or the public welfare. Appropriates \$500,000 cash funds exempt from the Abandoned Mine Reclamation Fund to the Department of Natural Resources for the Inactive Mines program.
- ✓ **H.B. 05-1266 (Stengel / Isgar): Increase Wildlife Fees Habitat Stamp.** Authorizes the Division of Wildlife to raise wildlife hunting and fishing license fees by rule to levels above those previously set in statute. Makes no appropriation to the Department of Natural Resources since the Division indicates that related workload or expenditure requirements can be absorbed.
- ✓ **S.B. 03-290 (Owen / Young): Changes in Fee-setting Methodology.** Provides the Parks Board with additional flexibility to set fees and appropriates \$200,000 cash funds exempt from the Stores Revolving Fund to the Division of Parks and Outdoor Recreation.
- ✓ **H.B. 01-1012 (Stengel / E.J. Dyer): Enterprise Status for DOW.** Designates the Division of Wildlife and the Wildlife Commission as an enterprise for purposes of Section 20 of Article X of the State Constitution (TABOR), so long as the Commission retains the authority to issue revenue bonds and the Division receives less than 10 percent of its total annual revenues in grants from State and local sources. Specifies that, for TABOR purposes, the term 'grant' does not include moneys from the Great Outdoors Colorado Trust Fund. Authorized the Commission to issue revenue bonds in an amount not to exceed \$10,000,000 in the aggregate upon approval of both houses of the General Assembly and the Governor.
- ✓ **H.B. 98-1006 (Adkins / Bishop): Native Species Conservation Fund.** Created the Species Conservation Trust Fund for expenditure on cooperative agreements, recovery programs, and other programs designed to meet State obligations under the federal Endangered Species Act. Expenditures are subject to annual authorization by the General Assembly.
- ✓ **S.B. 96-170 (Bishop / E.J. Dyer): Severance Tax Reform.** Severance taxes are taxes charged on the "severing" of minerals and mineral fuels from the earth. Under S.B. 96-170, 50 percent of severance tax revenues are credited to the Severance Tax Trust Fund, and 50 percent of the revenues are used by the Department of Local Affairs for grants and distributions to local governments affected by mining. Fifty percent of revenues credited to the Severance Tax Trust Fund are allocated to the Perpetual Account, which is used by the Water Conservation Board to make loans for water construction projects. The other

50 percent of Severance Tax Trust Fund revenues are allocated to the Operational Account to fund programs that promote and encourage planning, management, and development of minerals, energy, and water resources. Specifies that the General Assembly may appropriate up to 45.0 percent of the Operational Account balance to the Oil and Gas Conservation Commission, up to 30.0 percent to the Division of Minerals and Geology (now called the Division of Reclamation, Mining, and Safety), up to 20.0 percent to the Colorado Geological Survey, and up to 5.0 percent to the Water Conservation Board.



## Major Funding Changes FY 2005-06 to FY 2006-07

<b>Action</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total Funds</b>	<b>Total FTE</b>
Annualize Salary Survey (various divisions)	\$406,978	\$1,550,668	<b>\$1,957,646</b>	<b>0.0</b>
Changes in Health, Life, & Dental, Amort. Equalization Disbursement, & Salary Survey (various divisions)	\$476,120	\$819,245	<b>\$1,295,365</b>	<b>0.0</b>
Change in Federal Funds (DOW)	\$0	\$1,007,206	<b>\$1,007,206</b>	<b>0.0</b>
Centrally Appropriated lines (EDO)	\$682,697	\$270,027	<b>\$952,724</b>	<b>0.0</b>
Increase for Public Education Advisory Council (DOW)	\$0	\$900,000	<b>\$900,000</b>	<b>0.0</b>
Funding for Park Facilities (Parks & Rec.)	\$0	\$552,524	<b>\$552,524</b>	<b>4.0</b>
Lottery Proceeds Increase (Parks & Rec)	\$0	\$345,902	<b>\$345,902</b>	<b>0.0</b>
Non-point source projects (DRMS)	\$0	\$280,000	<b>\$280,000</b>	<b>0.0</b>
State Wildlife Areas – Operating and Maintenance costs (DOW)	\$0	\$230,000	<b>\$230,000</b>	<b>0.0</b>
Increase IT & HR Staff (EDO)	\$0	\$101,879	<b>\$101,879</b>	<b>2.0</b>
Reduction in EPA Wetlands Grants (EDO)	\$0	(\$110,395)	<b>(\$110,395)</b>	<b>0.0</b>
Personal Services Reductions (various div.)	(\$4,453)	(\$132,573)	<b>(\$137,026)</b>	<b>0.0</b>
Line item consolidations (DOW)	\$0	(\$1,050,000)	<b>(\$1,050,000)</b>	<b>(110.0)</b>
GOCO funding changes	\$0	(\$2,502,000)	<b>(\$2,502,000)</b>	<b>2.5</b>
One-time spending authority in FY 2005-06 for HB 06-1311 (EDO)	\$0	(\$3,732,813)	<b>(\$3,732,813)</b>	<b>0.0</b>

\* This table only summarizes the major funding changes in the Executive Director's Office, the Division of Reclamation, Mining, and Safety, Parks and Outdoor Recreation, and the Division of Wildlife.

**FY 2007-08 Joint Budget Committee Staff Budget Briefing**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Decision Item Priority List**

<b>Priority</b>	<b>Division: Description</b> <i>[Statutory Authority]</i>	<b>GF</b>	<b>CF</b> <i>[Source]</i>	<b>CFE</b> <i>[Source]</i>	<b>FF</b> <i>[Source]</i>	<b>Total</b>	<b>FTE</b>
1	<b>Reclamation, Mining and Safety</b>  Minerals Environmental Protection Specialist FTE  <i>[Section 39-29-109, C.R.S.]</i>	\$0	\$213,418  <i>[Operational Account of the Severance Tax Trust Fund]</i>	\$0	\$0	\$213,418	1.0
2	<b>Oil and Gas Conservation Commission</b> Consulting engineer to review oil shale permits  <i>[Sections 39-29-109 (1) (a) (II) and (c)(I), 34-60-102 (1) and 106 (2) (d), C.R.S.]</i>	\$0	\$0	\$60,000  <i>[Oil and Gas Conservation and Environmental Response Fund]</i>	\$0	\$60,000	0.0
3	<b>Division of Water Resources</b> Ground water administration service personnel  <i>[Sections 37-80-101; 37-82-101; 37-84- 101; 37-90-101; 37-92-101, C.R.S.]</i>	\$515,876	\$0	\$0	\$0	\$515,876	7.1

**FY 2007-08 Joint Budget Committee Staff Budget Briefing  
DEPARTMENT OF NATURAL RESOURCES  
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Priority	Division: Description <i>[Statutory Authority]</i>	GF	CF <i>[Source]</i>	CFE <i>[Source]</i>	FF <i>[Source]</i>	Total	FTE
4	<p><b>Oil and Gas Conservation Commission</b></p> <p>Continuation of contract funds, addition of FTE and leased space to address permit workload</p> <p><i>[Sections 34-60-102 (1) and 106 (2) (d), C.R.S.]</i></p>	\$0	\$28,688  <i>[Oil and Gas Conservation and Environmental Response Fund]</i>	\$542,784  <i>[Oil and Gas Conservation and Environmental Response Fund reserves]</i>	\$0	\$571,472	4.0
5	<p><b>Executive Director's Office</b></p> <p>Responding to energy development on Colorado's lands</p> <p><i>[Sections 24-1-105, 24-1-124, 24-33-101 through 24-33-111, C.R.S.]</i></p>	\$0	\$10,504  <i>[Statewide and departmental indirect cost recoveries]</i>	\$138,232  <i>[Statewide and departmental indirect cost recoveries]</i>	\$0	\$148,736	2.0
6	<p><b>Oil and Gas Conservation Commission</b></p> <p>Information technology professional III - application programmer</p> <p><i>[Section 34-60-102 (1) and 106 (2) (d), C.R.S.]</i></p>	\$0	\$966  <i>[Oil and Gas Conservation and Environmental Response Fund]</i>	\$77,269  <i>[Oil and Gas Conservation and Environmental Response Fund reserves]</i>	\$0	\$78,235	1.0

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<b>Priority</b>	<b>Division: Description</b> <i>[Statutory Authority]</i>	<b>GF</b>	<b>CF</b> <i>[Source]</i>	<b>CFE</b> <i>[Source]</i>	<b>FF</b> <i>[Source]</i>	<b>Total</b>	<b>FTE</b>
7	<b>Colorado Geological Survey</b> Address current and emerging geological issues  <i>[Sections 34-1-103 (1); 39-29-109 (1) (a); 34-60-105; 22-32-124 (1); 30-28-136; 24-65.1-101, C.R.S.]</i>	\$0	\$390,229 <i>[Operational Account of the Severance Tax Trust Fund and from fees for geological services]</i>	\$0	\$0	\$390,229	2.0
8	<b>State Board of Land Commissioners</b> Water portfolio management  <i>[Title 36, Article 1, C.R.S.]</i>	\$0	\$28,444 <i>[SLB Revenue Proceeds from CF Sources, including rentals]</i>	\$90,569 <i>[SLB Revenue Proceeds from CFE Sources, including mineral royalties]</i>	\$0	\$119,013	1.0
9	<b>Parks and Outdoor Recreation</b> New facilities - operations and FTE  <i>[Section 33-10-101 through 33-15-112, C.R.S.]</i>	\$7,691	\$956,455 <i>[Parks and Outdoor Recreation Cash Fund]</i>	\$0	\$0	\$964,146	11.5
10	<b>Parks and Outdoor Recreation</b> Operational FTE  <i>[Section 33-10-101 through 33-15-112, C.R.S.]</i>	\$272,640	\$338,277 <i>[Parks and Outdoor Recreation Cash Fund]</i>	\$0	\$28,494	\$639,411	12.5
11	<b>Reclamation, Mining and Safety</b>	\$0	\$342,000	\$0	\$0	\$342,000	0.0

**FY 2007-08 Joint Budget Committee Staff Budget Briefing  
DEPARTMENT OF NATURAL RESOURCES  
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<b>Priority</b>	<b>Division: Description</b> <i>[Statutory Authority]</i>	<b>GF</b>	<b>CF</b> <i>[Source]</i>	<b>CFE</b> <i>[Source]</i>	<b>FF</b> <i>[Source]</i>	<b>Total</b>	<b>FTE</b>
	Forfeited mine site reclamation  <i>[Section 39-29-109, C.R.S.]</i>		<i>[Operational Account of the Severance Tax Trust Fund]</i>				
12	<b>Colorado Water Conservation Board</b>  Severance Tax Projects (conducting water studies and preparing water resource plans, producing maps, facilitating water conservation, providing information, rehabilitate infrastructure, protecting the environment, reducing flood-related hazards and restoring streams)  <i>[Section 39-29-109; 37-60-102; and 106, C.R.S.]</i>	\$0	\$756,500  <i>[Operational Account of the Severance Tax Trust Fund]</i>	\$0	\$0	\$756,500	0.0
13	<b>Executive Director's Office</b> Additional staff for human resources  <i>[Section 24-1-105, 24-1-124, and 24-33-101 through 24-33-111, C.R.S.]</i>	\$0	\$8,188 <i>[Statewide and departmental indirect cost recoveries]</i>	\$90,690 <i>[Statewide and departmental indirect cost recoveries]</i>	\$0	\$98,878	2.0

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Priority	Division: Description <i>[Statutory Authority]</i>	GF	CF <i>[Source]</i>	CFE <i>[Source]</i>	FF <i>[Source]</i>	Total	FTE
14	<p><b>State Board of Land Commissioners</b></p> <p>New minerals auditor and legal services hours. (NOTE: legal services hours are funded in the Executive Director's Office.)</p> <p><i>[Title 36, Article 1, C.R.S.]</i></p>	\$0	\$29,166	\$92,868	\$0	\$122,034	1.0
			<i>[SLB Revenue Proceeds from CF Sources, including rentals]</i>	<i>[SLB Revenue Proceeds from CFE Sources, including mineral royalties]</i>			
15	<p><b>Colorado Water Conservation Board</b></p> <p>Compact dues and operating increase</p> <p><i>[Sections 37-60-102 and 106; 37-62-101 and 105; 37-69-101 and 105, C.R.S.]</i></p>	\$0	\$0	\$43,397	\$0	\$43,397	0.0
				<i>[Colorado Water Conservation Board Construction Fund]</i>			
16	<p><b>Executive Director's Office (for the Division of Wildlife)</b></p> <p>Legal services for the Division of Wildlife (funded in the Executive Director's Office)</p> <p><i>[Section 33-1-112 (3.5) (a) (b), C.R.S.]</i></p>	\$0	\$0	\$121,986	\$0	\$121,986	0.0
				<i>[Division of Wildlife Cash Fund]</i>			

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17	<b>State Board of Land Commissioners</b>  New district office  <i>[Title 36, Article 1, C.R.S.]</i>	\$0	\$34,672  <i>[SLB Revenue Proceeds from CF Sources, including rentals]</i>	\$110,401  <i>[SLB Revenue Proceeds from CFE Sources, including mineral royalties]</i>	\$0	\$145,073	2.0
18	<b>Oil and Gas Conservation Commission</b>  Data cleanup project  <i>[Sections 39-29-109 (1) (a) (II) and (c)(I), 34-60-102 (1) and 106 (2) (d), C.R.S.]</i>	\$0	\$119,356  <i>[Operational Account of the Severance Tax Trust]</i>	\$0	\$0	\$119,356	0.0
19	<b>Division of Water Resources</b>  New well testing and hydrographic vehicles  <i>[Title 37, Articles 80, 82 - 84, 87, and 92, C.R.S.]</i>	\$3,660	\$0	\$0	\$0	\$3,660	0.0

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20	<b>Oil and Gas Conservation Commission</b>  Rifle lease space and vehicle for relocated supervising engineer  <i>[Sections 34-60-102 (1) and 106 (2) (d), C.R.S.]</i>	\$0	\$18,882  <i>[Oil and Gas Conservation and Environmental Response Fund]</i>	\$18,138  <i>[Oil and Gas Conservation and Environmental Response Fund reserves]</i>	\$0	\$37,020	0.0
21	<b>Reclamation, Mining and Safety</b>  Minerals, energy, and geology education assessment  <i>[Section 39-29-109, C.R.S.]</i>	\$0	\$78,000  <i>[Operational Account of the Severance Tax Trust Fund]</i>	\$0	\$0	\$78,000	0.0
22	<b>Colorado Geological Survey</b>  Increase land use review fees, increase in severance tax funding  <i>[Section 34-1-103 (1); 39-29-109 (1) (a); 34-60-105, C.R.S.]</i>	\$0	\$148,125  <i>[Operational Account of the Severance Tax Trust Fund and from fees for geological services]</i>	\$0	\$0	\$148,125	0.0



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23	<b>Oil and Gas Conservation Commission</b>  Computer system maintenance: asset maintenance  <i>[Sections 39-29-109 (1) (a) (II) and (c)(I), 34-60-102 (1) and 106 (2) (d), C.R.S.]</i>	\$0	\$91,338  <i>[Operational Account of the Severance Tax Trust Fund]</i>	\$0	\$0	\$91,338	0.0
24	<b>Division of Wildlife</b> Public Education Advisory Council spending authority  <i>[Section 33-1-112 (3.5) (a) (b), C.R.S.]</i>	\$0	\$0	\$900,000 <i>[Wildlife Management Public Education Fund]</i>	\$0	\$900,000	0.0
Statewide	<b>Executive Director's Office</b>  Multiuse Network payments statewide request  <i>[Section 24-30-908 (1) and (2), C.R.S.]</i>	\$59,291	\$52,492 <i>[Various sources]</i>	\$2,194 <i>[Various sources]</i>	\$789 <i>[Various sources]</i>	\$114,766	0.0
Statewide	<b>Executive Director's Office</b>  Vehicle replacements statewide request  <i>Section 24-30-1104 (2) (f), C.R.S.</i>	\$54,243	\$14,336 <i>[Various sources]</i>	\$100,454 <i>[Various sources]</i>	\$3,596 <i>[Various sources]</i>	\$172,629	0.0
	<b>Total Request</b>	<b>\$913,401</b>	<b>\$3,660,036</b>	<b>\$2,388,982</b>	<b>\$32,879</b>	<b>\$6,995,298</b>	<b>47.1</b>
	<b>Total for Unshaded Items</b>	<b>\$519,536</b>	<b>\$1,646,366</b>	<b>\$1,035,426</b>	<b>\$0</b>	<b>\$3,201,328</b>	<b>18.1</b>
	<b>Total for Shaded Items</b>	<b>\$393,865</b>	<b>\$2,013,670</b>	<b>\$1,353,556</b>	<b>\$32,879</b>	<b>\$3,793,970</b>	<b>29.0</b>

**FY 2007-08 JBC BUDGET BRIEFING  
DEPARTMENT OF NATURAL RESOURCES  
OVERVIEW OF NUMBERS PAGES**

The following table highlights the overall increases reflected in the Department's FY 2007-08 request relating to the divisions included in this briefing document (Executive Director's Office, Mining, Reclamation, and Safety, Parks and Outdoor Recreation, and Wildlife).

**Requested Changes FY 2006-07 to FY 2007-08**

Category	FTE	GF	CF	CFE	FF	Total
<b>FY 2006-07 Base Appropriation</b>	1,038.3	9,942,704	29,706,743	92,320,274	15,481,820	147,451,541
Decision Items						
#1 – Minerals Env. Protection FTE	1.0	0	213,418	0	0	213,418
#5 – Energy Development Staff	2.0	0	10,504	138,232	0	148,736
#9 – New State Park Facilities	11.5	7,691	956,455	0	0	964,146
#10 – State Parks Operations FTE	12.5	272,640	338,277	0	28,494	639,411
#11 – Forfeited Mine Site Reclam.	0.0	0	342,000	0	0	342,000
#13 – Add'l Hum. Resources Staff	2.0	0	8,188	90,690	0	98,878
#16 – Legal Services (Div.of Wildlife)	0.0	0	0	121,986	0	121,986
#21 – Minerals, Energy, and Geology Education Assessment	0.0	0	78,000	0	0	78,000
#24 – Public Education Advisory Council Spending Authority	0.0	0	0	900,000	0	900,000
Salary Survey and Perf. Based Pay	0.0	810,047	302,436	782,402	60,418	1,955,303
Health, Life, Dental increase	0.0	417,646	168,207	536,595	(6,502)	1,115,946
Annualize Salary Survey from FY 06-07	0.0	399,855	172,443	1,214,196	51,801	1,838,295
Misc. Common Policies	0.0	377,707	228,794	366,577	74,724	1,047,802
Risk Management and Worker's Comp.	0.0	238,794	8,881	19,459	2,692	269,826
Annualize FY 2006-07 Vehicles	0.0	84,339	32,023	163,575	2,036	281,973
Central Impacts for other Dec. Items	0.0	31,061	70,866	55,161	0	157,088
Personal Services Base Reduction	0.0	(5,181)	(39,708)	(88,709)	(16,319)	(149,917)
Increase Lottery and GOCO funds	6.5	0	0	1,673,098	0	1,673,098
Increase in Indirect Cost Recoveries	0.0	0	419,854	(16,701)	(55,927)	347,226
Misc. Refinance	0.0	0	(45,565)	1,430	44,135	0
Reduction in Federal Funds	0.0	0	0	0	(364,605)	(364,605)
FY 2006-07 One-time Costs	0.0	0	(3,005)	(4,450,000)	0	(4,453,005)
<b>Total Change</b>	<b>35.5</b>	<b>2,634,599</b>	<b>3,262,068</b>	<b>1,507,991</b>	<b>(179,053)</b>	<b>7,225,605</b>
<b>FY 2007-08 Request</b>	<b>1,073.8</b>	<b>12,577,303</b>	<b>32,968,811</b>	<b>93,828,265</b>	<b>15,302,767</b>	<b>154,677,146</b>

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	
	Actual	Actual	Appropriation	Request	Change Requests

**DEPARTMENT OF NATURAL RESOURCES**  
**Executive Director: Russell George**

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

Primary Function: 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. Cash funds exempt is comprised of statewide and departmental indirect.

**(A) Administration and Information Technology Services**

Personal Services	2,782,704	4,267,668	4,748,846	5,068,603	DI #5, #13
FTE	<u>37.8</u>	<u>52.1</u>	<u>58.6</u>	<u>62.6</u>	
Cash Funds	693,436	2,053,227	2,320,385	2,625,303	
Cash Funds Exempt	2,089,268	2,214,441	2,428,461	2,443,300	
Health, Life, and Dental	<u>3,868,316</u>	<u>4,426,463</u>	<u>5,604,779</u>	<u>6,720,725</u>	
General Fund	1,375,658	1,558,727	2,027,673	2,445,319	
Cash Funds	395,625	443,305	582,353	750,560	
Cash Funds Exempt	1,786,033	2,063,110	2,537,840	3,074,435	
Federal Funds	311,000	361,321	456,913	450,411	
Short-term Disability	<u>124,103</u>	<u>120,307</u>	<u>97,433</u>	<u>105,420</u>	
General Fund	41,568	39,996	33,220	35,503	
Cash Funds	15,216	14,885	12,450	13,132	
Cash Funds Exempt	57,716	55,953	44,489	46,933	
Federal Funds	9,603	9,473	7,274	9,852	

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Change Requests</b>
S.B. 04-257 Amortization Equalization Disbursement	n/a	<u>222,573</u>	<u>659,938</u>	<u>1,269,948</u>	DI #1, #3, #4, #5,
General Fund		77,274	233,748	436,227	#6, #7, #8, #9, #10,
Cash Funds		25,315	82,632	168,275	#13, #14, #17
Cash Funds Exempt		102,634	295,277	553,965	
Federal Funds		17,350	48,281	111,481	
Salary Survey and Senior Executive Service	<u>1,772,694</u>	<u>2,759,497</u>	<u>2,439,181</u>	<u>3,610,509</u>	
General Fund	565,132	885,364	736,064	1,276,150	
Cash Funds	212,122	338,843	289,082	481,496	
Cash Funds Exempt	951,860	1,456,744	1,354,470	1,754,944	
Federal Funds	43,580	78,546	59,565	97,919	
Performance-based Pay Awards	<u>976,567</u>	<u>0</u>	<u>0</u>	<u>783,975</u>	
General Fund	319,286	0	0	269,961	
Cash Funds	118,462	0	0	110,022	
Cash Funds Exempt	512,324	0	0	381,928	
Federal Funds	26,495	0	0	22,064	
Shift Differential - General Fund	26,730	14,854	21,620	12,251	
Workers' Compensation	<u>2,848,004</u>	<u>2,565,831</u>	<u>2,789,828</u>	<u>2,919,184</u>	
General Fund	516,275	521,488	652,440	828,651	
Cash Funds	191,406	124,944	96,006	98,971	
Cash Funds Exempt	2,098,613	1,899,435	2,038,823	1,987,398	
Federal Funds	41,710	19,964	2,559	4,164	
Operating Expenses	<u>1,253,068</u>	<u>1,259,063</u>	<u>1,262,568</u>	<u>1,275,281</u>	DI #5, #13
Cash Funds	306,612	312,607	317,332	330,045	
Cash Funds Exempt	941,119	941,119	939,899	939,899	
Federal Funds	5,337	5,337	5,337	5,337	

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Change Requests</b>
Legal Services	2,255,110	2,507,423	2,680,439	2,991,749	DI #1, #14, #16
<i>Hours Equivalent</i>	<u>36,627</u>	<u>38,905</u>	<u>39,552</u>	<u>44,152</u>	
General Fund	735,769	746,450	1,008,990	1,008,990	
Cash Funds	380,664	445,460	565,510	708,747	
Cash Funds Exempt	1,052,263	1,280,733	1,060,613	1,228,686	
Federal Funds	86,414	34,780	45,326	45,326	
Administrative Law Judge Services - CFE	0	0	82	0	
Purchase of Services from Computer Center	<u>176,325</u>	<u>170,542</u>	<u>173,057</u>	<u>209,944</u>	
General Fund	7,719	6,589	6,686	8,111	
Cash Funds	168,606	163,953	166,371	201,833	
Multiuse Network Payments	<u>868,911</u>	<u>847,605</u>	<u>840,295</u>	<u>955,061</u>	Statewide DI
General Fund	312,174	305,256	313,544	372,835	
Cash Funds	551,227	519,862	506,841	559,333	
Cash Funds Exempt	0	19,561	14,645	16,839	
Federal Funds	5,510	2,926	5,265	6,054	
Payments to Risk Management & Property Funds	<u>458,616</u>	<u>325,854</u>	<u>501,124</u>	<u>641,594</u>	
General Fund	183,638	95,277	158,611	221,194	
Cash Funds	55,757	10,742	32,933	38,849	
Cash Funds Exempt	219,099	218,751	307,015	377,899	
Federal Funds	122	1,084	2,565	3,652	

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Change Requests</b>
Vehicle Lease Payments	<u>2,926,475</u>	<u>2,237,160</u>	<u>2,455,407</u>	<u>2,952,276</u>	DI #1, #3, #9, #10,
General Fund	832,421	722,379	827,505	977,383	#17, #19, #20
Cash Funds	136,059	136,305	155,164	231,269	Statewide DI
Cash Funds Exempt	1,913,705	1,342,965	1,433,001	1,698,255	
Federal Funds	44,290	35,511	39,737	45,369	
Information Technology Asset Maintenance	<u>353,429</u>	<u>282,477</u>	<u>282,477</u>	<u>282,477</u>	
General Fund	105,354	105,354	105,354	105,354	
Cash Funds	176,520	132,175	139,892	139,892	
Cash Funds Exempt	59,319	32,712	24,995	24,995	
Federal Funds	12,236	12,236	12,236	12,236	
Leased Space	<u>726,278</u>	<u>747,262</u>	<u>857,309</u>	<u>996,520</u>	DI #1, #3, #4, #17,
General Fund	414,398	415,326	496,573	568,598	#20
Cash Funds	181,197	214,088	251,524	312,951	
Cash Funds Exempt	107,427	95,069	86,124	91,832	
Federal Funds	23,256	22,779	23,088	23,139	
Capitol Complex Leased Space	<u>743,834</u>	<u>730,095</u>	<u>754,453</u>	<u>791,733</u>	
General Fund	263,318	258,455	267,078	280,275	
Cash Funds	276,426	271,320	294,522	309,075	
Cash Funds Exempt	114,104	111,996	101,583	106,603	
Federal Funds	89,986	88,324	91,270	95,780	
Communications Services Payments	<u>395,179</u>	<u>771,743</u>	<u>828,654</u>	<u>871,758</u>	
General Fund	188,500	305,101	327,601	344,641	
Cash Funds	0	466,642	501,053	527,117	
Cash Funds Exempt	206,679	0	0	0	
Federal Funds	0	0	0	0	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Change Requests
					<b>Request vs. Appropriation</b>
<b>(1) (A) Administration and Information</b>					
<b>Technology Services</b>	22,556,343	24,256,417	26,997,490	32,459,008	20.2%
FTE	<u>37.8</u>	<u>52.1</u>	<u>58.6</u>	<u>62.6</u>	
General Fund	5,887,940	6,057,890	7,216,707	9,191,443	27.4%
Cash Funds	3,859,335	5,673,673	6,314,050	7,606,870	20.5%
Cash Funds Exempt	12,109,529	11,835,223	12,667,317	14,727,911	16.3%
Federal Funds	699,539	689,631	799,416	932,784	16.7%
					<b>Request vs. Appropriation</b>
<b>(B) EPA Wetlands Grant - Federal Funds</b>	405,538	395,141	364,605	0	-100.0%
					<b>Request vs. Appropriation</b>
<b>(C) H.B. 06-1311 (Species Cons. Trust Fund) - CFE</b>	n/a	4,517,488	3,150,000	0	-100.0%
					<b>Request vs. Appropriation</b>
<b>(1) EXECUTIVE DIRECTOR'S OFFICE</b>					
<b>- SUBTOTAL</b>	22,961,881	29,169,046	30,512,095	32,459,008	6.4%
FTE	<u>37.8</u>	<u>52.1</u>	<u>58.6</u>	<u>62.6</u>	
General Fund	5,887,940	6,057,890	7,216,707	9,191,443	27.4%
Cash Funds	3,859,335	5,673,673	6,314,050	7,606,870	20.5%
Cash Funds Exempt	12,109,529	16,352,711	15,817,317	14,727,911	-6.9%
Federal Funds	1,105,077	1,084,772	1,164,021	932,784	-19.9%

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	Change Requests
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**(2) DIVISION OF RECLAMATION, MINING, AND SAFETY (formerly Division of Mining and Geology)**

Primary Function: Provides regulation and enforcement related to the development and reclamation of mining sites. Primary sources of cash funds are severance tax and fees on metal and aggregate mining operations.

**(A) Coal Land Reclamation**

Program Expenses	1,934,651	2,072,211	2,036,515	2,070,807
FTE	<u>22.0</u>	<u>22.2</u>	<u>23.0</u>	<u>23.0</u>
Cash Funds	406,276	516,600	568,397	538,647
Federal Funds	1,528,375	1,555,611	1,468,118	1,532,160
Coal Program Support - Cash Funds	58,950	N/A	N/A	N/A
FTE	1.0			
Indirect Cost Assessment	<u>136,734</u>	<u>132,768</u>	<u>138,229</u>	<u>143,589</u>
Cash Funds	33,812	21,449	29,028	33,589
Federal Funds	102,922	111,319	109,201	110,000

**Request vs.  
Appropriation**

<b>(A) Coal Land Reclamation</b>	2,130,335	2,204,979	2,174,744	2,214,396	1.8%
FTE	<u>23.0</u>	<u>22.2</u>	<u>23.0</u>	<u>23.0</u>	0.0%
Cash Funds	499,038	538,049	597,425	572,236	-4.2%
Federal Funds	1,631,297	1,666,930	1,577,319	1,642,160	4.1%

**(B) Inactive Mines**

Program Costs	504,246	892,107	1,338,012	1,359,841
FTE	<u>13.6</u>	<u>13.6</u>	<u>12.4</u>	<u>12.4</u>
Cash Funds Exempt	0	435,253	500,000	500,000
Federal Funds	504,246	456,854	838,012	859,841



	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Change Requests</b>
Mine Site Reclamation	27,805	201,175	405,000	405,000	
FTE	<u>0.0</u>	<u>0.0</u>	<u>1.2</u>	<u>1.2</u>	
Cash Funds (Severance Tax)	27,805	201,175	375,000	375,000	
Cash Funds Exempt	0	0	30,000	30,000	
Reclamation of Forfeited Mine Sites - CF	N/A	N/A	N/A	342,000	DI #11
Abandoned Mine Safety - Cash Funds (Sev. Tax)	111,665	111,665	111,665	111,665	
FTE	0.2	0.2	0.2	0.2	
Indirect Cost Assessment	<u>103,215</u>	<u>51,461</u>	<u>96,359</u>	<u>60,607</u>	
Cash Funds	38,106	0	687	10,480	
Federal Funds	65,109	51,461	95,672	50,127	
					<b>Request vs.</b>
					<b>Appropriation</b>
<b>(B) Inactive Mines</b>	746,931	1,256,408	1,951,036	2,279,113	16.8%
FTE	<u>13.8</u>	<u>13.8</u>	<u>13.8</u>	<u>13.8</u>	
Cash Funds	177,576	312,840	487,352	839,145	72.2%
Cash Funds Exempt	0	435,253	530,000	530,000	0.0%
Federal Funds	569,355	508,315	933,684	909,968	-2.5%
<b>(C) Minerals</b>					
Program Costs	1,913,542	1,920,985	1,968,845	2,072,330	DI #1
FTE	<u>22.9</u>	<u>21.9</u>	<u>22.9</u>	<u>23.9</u>	
Cash Funds (Sev Tax, Fees)	1,822,620	1,824,901	1,870,469	1,972,524	
Cash Funds Exempt	90,922	96,084	98,376	99,806	
Indirect Cost Assessment - Cash Funds	106,904	101,955	121,212	127,094	

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Change Requests</b>
					<b>Request vs. Appropriation</b>
<b>(C) Minerals</b>	2,020,446	2,022,940	2,090,057	2,199,424	5.2%
FTE	<u>22.9</u>	<u>21.9</u>	<u>22.9</u>	<u>23.9</u>	
Cash Funds	1,929,524	1,926,856	1,991,681	2,099,618	5.4%
Cash Funds Exempt	90,922	96,084	98,376	99,806	1.5%
<b>(D) Mines Program</b>					
Colorado and Federal Mine Safety Program	551,040	410,727	481,853	488,942	
FTE	<u>5.0</u>	<u>4.3</u>	<u>5.0</u>	<u>5.0</u>	
Cash Funds	273,816	279,968	293,681	293,340	
Federal Funds	277,224	130,759	188,172	195,602	
Blaster Certification Program	97,518	102,265	103,866	103,717	
FTE	<u>1.0</u>	<u>0.9</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds	20,479	21,476	21,743	21,712	
Federal Funds	77,039	80,789	82,123	82,005	
Indirect Cost Assessment	<u>19,431</u>	<u>22,553</u>	<u>28,372</u>	<u>24,530</u>	
Cash Funds	6,541	13,950	16,372	16,957	
Federal Funds	12,890	8,603	12,000	7,573	
					<b>Request vs. Appropriation</b>
<b>(D) Mines Program</b>	667,989	535,545	614,091	617,189	0.5%
FTE	<u>6.0</u>	<u>5.2</u>	<u>6.0</u>	<u>6.0</u>	
Cash Funds	300,836	315,394	331,796	332,009	0.1%
Federal Funds	367,153	220,151	282,295	285,180	1.0%
<b>(E) Emergency Response Costs - Cash Funds</b>	N/A	N/A	25,000	25,000	

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Change Requests</b>

**(F) Other Severance Tax Projects**

Shrub Establishment Research - Cash Funds 19,998 0 0 0

**(G) Minerals, Energy, and Geology Education**

Assessment - Cash Funds N/A N/A N/A 78,000 DI #21

**Request vs.  
Appropriation**

<b>(2) DIVISION OF RECLAMATION, MINING, AND SAFETY - SUBTOTAL</b>	5,585,699	6,019,872	6,854,928	7,413,122	8.1%
FTE	<u>65.7</u>	<u>63.1</u>	<u>65.7</u>	<u>66.7</u>	
Cash Funds	2,926,972	3,093,139	3,433,254	3,946,008	14.9%
Cash Funds Exempt	90,922	531,337	628,376	629,806	0.2%
Federal Funds	2,567,805	2,395,396	2,793,298	2,837,308	1.6%

\* Prior to FY 2006-07, this division was known as the Division of Minerals and Geology. The name was changed pursuant to S.B. 06-140.

**(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 and other special purpose cash funds. Cash funds exempt primarily represent GOCO Board grants and direct Lottery funds.

<b>(A) State Park Operations</b>	21,911,968	20,702,539	23,021,384	24,967,400	DI #9, #10
FTE	<u>221.0</u>	<u>218.8</u>	<u>242.6</u>	<u>266.6</u>	
General Fund	3,769,392	2,401,289	2,725,997	3,385,860	
Cash Funds	15,916,922	17,036,182	17,684,427	18,942,086	
Cash Funds Exempt	1,911,398	947,060	2,191,060	2,191,060	
Federal Funds	314,256	318,008	419,900	448,394	

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Change Requests</b>
					<b>Request vs. Appropriation</b>
<b>(A) State Park Operations - Subtotal</b>	21,911,968	20,702,539	23,021,384	24,967,400	8.5%
FTE	<u>221.0</u>	<u>218.8</u>	<u>242.6</u>	<u>266.6</u>	
General Fund	3,769,392	2,401,289	2,725,997	3,385,860	24.2%
Cash Funds	15,916,922	17,036,182	17,684,427	18,942,086	7.1%
Cash Funds Exempt	1,911,398	947,060	2,191,060	2,191,060	0.0%
Federal Funds	314,256	318,008	419,900	448,394	6.8%
<b>(B) Great Outdoors Colorado (GOCO) Board Grants</b>					
Land and Water Protection - CFE	610,181	661,614	764,000	651,000	
FTE	1.0	2.0	2.0	2.0	
Operations and Maintenance - CFE	458,883	1,728,381	869,000	1,806,000	
FTE	2.0	7.9	7.5	14.5	
Statewide Programs - CFE	1,326,383	2,041,432	2,103,000	1,568,000	
FTE	4.2	9.6	6.5	6.0	
					<b>Request vs. Appropriation</b>
<b>(B) GOCO Board Grants - Subtotal (CFE)</b>	2,395,447	4,431,427	3,736,000	4,025,000	7.7%
FTE	7.2	19.5	16.0	22.5	
<b>(C) Special Purpose</b>					
Snowmobile Program - CF	686,622	702,388	702,838	702,838	
River Outfitters Regulation - CF	73,818	54,224	74,466	74,466	
Off-Highway Vehicle Program - CF	343,487	335,524	363,476	372,504	
FTE	3.0	3.0	3.0	3.0	

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Change Requests</b>
Federal Grants - FF	336,310	588,400	518,516	518,516	
S.B. 03-290 Enterprise Fund - CFE	16,319	200,000	200,000	200,000	
System Operations and Support - CFE	N/A	N/A	426,000	730,000	
Connectivity at State Parks - CFE	N/A	N/A	353,000	370,000	
Asset Management - CFE	N/A	N/A	313,000	300,000	
Voice Over Internet Protocol - CFE	N/A	N/A	128,902	175,000	
Indirect Cost Assessment	<u>1,086,120</u>	<u>1,121,446</u>	<u>1,205,845</u>	<u>1,388,898</u>	
Cash Funds	934,644	928,927	1,134,232	1,324,039	
Federal Funds	151,476	192,519	71,613	64,859	
					<b>Request vs.</b>
					<b>Appropriation</b>
<b>(C) Special Purpose - Subtotal</b>	2,542,676	3,001,982	4,286,043	4,832,222	12.7%
FTE	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	
Cash Funds	2,038,571	2,021,063	2,275,012	2,473,847	8.7%
Cash Funds Exempt	16,319	200,000	1,420,902	1,775,000	24.9%
Federal Funds	487,786	780,919	590,129	583,375	-1.1%

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	
	Actual	Actual	Appropriation	Request	Change Requests

					Request vs. Appropriation
<b>(6) PARKS AND OUTDOOR RECREATION</b>					
<b>- SUBTOTAL</b>	26,850,091	28,135,948	31,043,427	33,824,622	9.0%
FTE	<u>231.2</u>	<u>241.3</u>	<u>261.6</u>	<u>292.1</u>	
General Fund	3,769,392	2,401,289	2,725,997	3,385,860	24.2%
Cash Funds	17,955,493	19,057,245	19,959,439	21,415,933	7.3%
Cash Funds Exempt	4,323,164	5,578,487	7,347,962	7,991,060	8.8%
Federal Funds	802,042	1,098,927	1,010,029	1,031,769	2.2%

**(9) DIVISION OF WILDLIFE**

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.

**(A) Division Operations**

(1) Director's Office	1,624,178	1,789,996	1,968,746	1,999,622	
FTE	<u>14.7</u>	<u>15.8</u>	<u>18.0</u>	<u>18.0</u>	
Cash Funds Exempt	1,511,295	1,688,500	1,849,897	1,878,317	
Federal Funds	112,883	101,496	118,849	121,305	
(2) Wildlife Management	57,826,951	58,567,466	60,706,928	62,274,066	DI #24
FTE	<u>661.3</u>	<u>653.1</u>	<u>555.4</u>	<u>555.4</u>	
Cash Funds Exempt	49,617,539	49,333,869	50,329,499 a/	51,912,718	
Federal Funds	8,209,412	9,233,597	10,377,429	10,361,348	
(3) Technical Services	5,785,796	5,784,931	6,311,561	6,390,385	
FTE	<u>62.2</u>	<u>0.0</u>	<u>61.0</u>	<u>61.0</u>	
Cash Funds Exempt	5,771,096	5,760,595	6,293,367	6,372,132	
Federal Funds	14,700	24,336	18,194	18,253	

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Change Requests</b>
(4) Information Technology - CFE	3,059,153	2,942,035	2,751,020	2,820,960	
FTE	<u>16.5</u>	<u>18.8</u>	<u>18.0</u>	<u>18.0</u>	
Cash Funds Exempt	2,622,353	2,784,601	2,751,020	2,820,960	
Federal Funds	436,800	157,434	0	0	
					<b>Request vs.</b>
					<b>Appropriation</b>
<b>(A) Division Operations - Subtotal</b>	68,296,078	69,084,428	71,738,255	73,485,033	2.4%
FTE	<u>754.7</u>	<u>687.7</u>	<u>652.4</u>	<u>652.4</u>	
Cash Funds Exempt	59,522,283	59,567,565	61,223,783	62,984,127	2.9%
Federal Funds	8,773,795	9,516,863	10,514,472	10,500,906	-0.1%
a/ Includes \$400,000 cash funds appropriated pursuant to H.B. 06-1311.					
<b>(B) Special Purpose</b>					
Wildlife Commission Discretionary Fund - CFE	162,785	135,469	160,000	160,000	
Game Damage Claims and Prevention - CFE	890,526	679,249	1,050,000	1,050,000	
Instream Flow Program	<u>296,027</u>	<u>296,027</u>	<u>296,027</u>	<u>296,027</u>	
Cash Funds Exempt	74,007	296,027	296,027	296,027	
Federal Funds	222,020	0	0	0	
Habitat Partnership Program - CFE	1,825,861	1,777,273	2,500,000	2,500,000	
Indirect Cost Assessment - CFE	2,851,471	2,894,845	3,296,809	3,489,334	
					<b>Request vs.</b>
					<b>Appropriation</b>
<b>(B) Special Purpose - Subtotal</b>	<u>6,026,670</u>	<u>5,782,863</u>	<u>7,302,836</u>	<u>7,495,361</u>	2.6%
Cash Funds Exempt	5,804,650	5,782,863	7,302,836	7,495,361	2.6%
Federal Funds	222,020	0	0	0	N/A

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Change Requests</b>

					<b>Request vs. Appropriation</b>
<b>(9) DIVISION OF WILDLIFE - SUBTOTAL</b>	74,322,748	74,867,291	79,041,091	80,980,394	2.5%
FTE	<u>754.7</u>	<u>687.7</u>	<u>652.4</u>	<u>652.4</u>	
Cash Funds Exempt	65,326,933	65,350,428	68,526,619	70,479,488	2.8%
Federal Funds	8,995,815	9,516,863	10,514,472	10,500,906	-0.1%

					<b>Request vs. Appropriation</b>
<b>DEPARTMENT OF NATURAL RESOURCES (EDO, Minerals &amp; Geology, Parks &amp; Outdoor Recreation, and DOW)</b>					
TOTAL FUNDS	129,720,419	138,192,157	147,451,541	154,677,146	4.9%
FTE	<u>1,089.4</u>	<u>1,044.2</u>	<u>1,038.3</u>	<u>1,073.8</u>	
General Fund	9,657,332	8,459,179	9,942,704	12,577,303	26.5%
Cash Funds	24,741,800	27,824,057	29,706,743	32,968,811	11.0%
Cash Funds Exempt	81,850,548	87,812,963	92,320,274	93,828,265	1.6%
Federal Funds	13,470,739	14,095,958	15,481,820	15,302,767	-1.2%

<b>DEPARTMENT OF NATURAL RESOURCES (All Divisions)</b>					
TOTAL FUNDS	168,138,669	178,253,316	195,061,772	201,280,974	3.2%
FTE	<u>1,489.7</u>	<u>1,479.2</u>	<u>1,466.8</u>	<u>1,518.4</u>	
General Fund	22,062,204	22,801,682	28,534,012	31,827,094	11.5%
Cash Funds	35,091,088	38,808,642	39,837,017	46,586,413	16.9%
Cash Funds Exempt	96,733,502	102,124,517	109,938,993	106,274,596	-3.3%
Federal Funds	14,251,875	14,518,475	16,751,750	16,592,871	-0.9%



**FY 2007-08 JBC BUDGET BRIEFING  
DEPARTMENT OF NATURAL RESOURCES  
FOOTNOTE UPDATE**

*Note:* Of the six footnotes in the 2006-07 Long Bill for the Department of Natural Resources, two were common to all departments statewide and four applied to the Department of Natural Resources specifically. This briefing packet contains summaries of the two common footnotes and the two footnotes that applied to the divisions covered in this briefing packet.

- 2 All Departments, Totals** -- The General Assembly requests that copies of all reports requested in other footnotes contained in this act be delivered to the Joint Budget Committee and the majority and minority leadership in each house of the General Assembly. Until such time as the Secretary of State publishes the code of Colorado regulations and the Colorado register in electronic form pursuant to section 24-4-103 (11) (b), C.R.S., each principal department of the state is requested to produce its rules in an electronic format that is suitable for public access through electronic means. Such rules in such format should be submitted to the Office of Legislative Legal Services for publishing on the Internet. Alternatively, the Office of Legislative Legal Services may provide links on its internet web site to such rules. It is the intent of the General Assembly that this be done within existing resources.

Comment: The Department indicates that it intends to continue to comply with this request. The Department submitted its rules and regulations to the Office of Legislative Legal Services. These have been put onto the General Assembly's Internet site at the following address: <<[http://www.state.co.us/gov\\_dir/leg\\_dir/olls/HTML/rules.htm](http://www.state.co.us/gov_dir/leg_dir/olls/HTML/rules.htm)>>. **Staff notes that the links for the following three divisions are not current: (1) Colorado Water Conservation Board; (2) Division of Minerals and Geology (renamed the Division of Reclamation, Mining, and Safety); and (3) Oil & Gas Conservation Commission.**

The rules and regulations are also available on the Department's web site at the following address: <<<http://dnr.state.co.us/>>>.

- 3 All Departments, Totals** -- Every Department is requested to submit to the Joint Budget Committee information on the number of additional federal and cash funds exempt FTE associated with any federal grants or private donations that are applied for or received during FY 2006-07. The information should include the number of FTE, the associated costs (such as workers' compensation, health and life benefits, need for additional space, etc.) that are related to the additional FTE, the direct and indirect matching requirements associated with the federal grant or donated funds, the duration of the grant, and a brief description of the program and its goals and objectives.

Comment: The Governor vetoed this footnote on the basis that it violates the separation of powers. The Department's budget includes \$16,751,750 in federal funds in FY 2006-07. JBC

staff estimates that, of the 1,466.8 FTE appropriated to the Department, 137.1 FTE are federally funded (9.3 percent of the total FTE).

Division	Total Federal Funds	Estimate of Federally Funded FTE*
Executive Director's Office	1,164,021	0.0
Reclamation, Mining, & Safety	2,793,298	25.9
Colorado Geological Survey	970,360	6.8
Oil and Gas Commission	96,559	2.0
State Board of Land Commissioners	0	0.0
Parks and Outdoor Recreation	1,010,029	4.4
Colorado Water Conservation Board	147,343	1.8
Water Resources Division	55,668	0.0
Division of Wildlife	<u>10,514,472</u>	<u>96.2</u>
<b>Total</b>	<b>16,751,750</b>	<b>137.1</b>

\* The estimate of federally funded FTE was developed by JBC staff using the percentage of federal funds contained in line items with FTE appropriations. It is possible that this methodology may overstate or understate the level of federal funds used for FTE.

**97 Department of Natural Resources, Minerals and Geology, Inactive Mines, Mine Site Reclamation** -- It is the intent of the General Assembly that these funds shall remain available until completion of the project or the close of FY 2008-09, whichever comes first. At project completion or the end of the three-year period, any unexpended balances shall revert to the Operation Account of the Severance Tax Trust Fund from which they were appropriated.

Comment: This footnote expresses legislative intent. The Inactive Mines Program was instituted under the provisions of the federal Surface Mining Control and Reclamation Act (SMCRA) of 1977. Moneys appropriated for this function are used to safeguard mine openings, to inspect and monitor mine sites, and to reclaim abandoned mines. Only mines abandoned prior to 1977 are eligible for this program. Approximately 16,000 abandoned mines remain in Colorado.

This line item received an appropriation of \$405,000 in FY 2006-07. Of the amount appropriated, \$375,000 is cash funds (Operational Account of the Severance Tax Trust Fund) and \$30,000 cash funds exempt (a transfer from the Department of Public Health and Environment). Projects supported by this line item include construction of hydro-geologic controls such as diversion ditches, mine waste removal, mine waste consolidation, stream diversion, and revegetation at the abandoned mine sites. Some of these moneys are granted

to local entities as a match to receive federal Clean Water Act moneys from the U.S. Environmental Protection Agency.

The funding for this line item was increased by \$250,000 cash funds and 1.0 FTE in FY 2006-07 through a decision item in the 2006 session. This decision item was based on the available funds in the Operational Account of the Severance Tax Trust Fund, and the need to address acid mine drainage from abandoned mines. The Department determined that 150 water remediation projects remain at locations all over the State. Based on the funding levels prior to FY 2006-07, the Department estimated it would take approximately 75 years to eliminate the current project inventory.

**100 Department of Natural Resources, Parks and Outdoor Recreation, State Park Operations** -- The Department is requested to provide to the Joint Budget Committee a report detailing the cost allocations by all specified funding sources to each state park and also to detail the respective state parks' revenues from all sources. This report should also detail the Department's long-term plans regarding the feasibility of seeking enterprise status. Such a report should specifically examine how any plans to generate additional cash revenues and increase self-sufficiency affect State Parks' ability to meet statutory goals such as: (1) offering the greatest possible variety of outdoor recreational opportunities to the people of the State; and (2) continuously operating a program to acquire, develop, and maintain outdoor recreation lands, waters, and facilities. This information is requested to be provided to the Joint Budget Committee by no later than November 1, 2006.

Comment: This footnote was vetoed by the Governor on the basis that it violates the separation of powers and attempts to administer the appropriation. The Governor directed the Department to comply to the extent feasible.

The Department did not submit the report as requested. The Department has advised staff that it had difficulty preparing this report by the established deadline. Based on informal conversations with Department staff, they have indicated that the requested report could be made available prior to figure setting for the Department. Staff continues to believe that this report may be useful to the JBC. However, given the limit on state revenues has been relaxed for a five-year period as a result of Referendum C, staff does not believe there will be a negative impact associated with receiving this report after the established deadline.

Given the shortage of General Fund dollars available for the state's operating budget within the 6.0 percent limit, staff believes that it may be more relevant to examine the potential opportunity of reducing General Fund appropriations to support the state park system, and the potential consequences of such a reduction. Staff has prepared a briefing issue on this topic.

**FY 2007-08 Joint Budget Committee Staff Budget Briefing**  
**DEPARTMENT OF NATURAL RESOURCES**  
**For the following 4 Divisions Only:**  
**Executive Director's Office, Division of Reclamation, Mining, and Safety,**  
**Division of Parks and Outdoor Recreation, and Division of Wildlife**

**ISSUE:**

Department of Natural Resources Performance Measures

Selected divisions: (a) Executive Director's Office, (b) Division of Reclamation, Mining, and Safety, (c) Division of Parks and Outdoor Recreation, and (d) Division of Wildlife.

**DISCUSSION:**

**Department Mission**

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*Mission Statement:*

Develop, preserve and enhance Colorado's natural resources for the benefit and enjoyment of current and future citizens and visitors.

**Goals and Performance Measures**

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The Department's strategic plan is 45 pages long and is comprised of eight strategic objectives deemed essential, nine deemed high, three deemed medium, and four low. In addition, each division has specific performance measures that reflect targets and actual experience.

For purposes of this briefing issue, staff has elected to focus on the eight essential strategic objectives, which are summarized below:<sup>1</sup>

1. Respond to demands by constituents by providing services, information, and assistance.
2. Maximize the efficient use of Colorado's water resources and comply with and enforce other states' compliance with interstate compacts.
3. Promote the State's interest in federal natural resource-related policy by proactively identifying activities that may impact Colorado and developing and advancing a State position on those issues.
4. Promote continued development of Colorado's mineral and energy resources in a manner that is consistent with environmental preservation and protection of public health.

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<sup>1</sup> This list summarizes the Department's eight essential strategic objectives. For each of these, JBC staff has only included the performance measures for the divisions covered in this briefing packet. Some objectives have more of an impact on divisions that are not covered in this packet (e.g., objectives related to water resources).

5. Protect the diversity of Colorado's wildlife resources by continuing to identify and implement creative strategies to stabilize and enhance native species populations and to recover threatened and endangered species in ways that minimize adverse impacts on local governments, private landowners, and other citizens.
6. Protect and promote a variety of outdoor recreational opportunities for citizens.
7. Assist citizens in avoiding or mitigating risks to life and property by providing training, information, technical assistance and regulatory enforcement related to statutorily authorized programs.
8. Provide an effective, integrated information technology infrastructure capable of supporting the Department's service delivery, regulatory, and information interchange responsibilities.

### **Staff Analysis**

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Joint Budget Committee staff reviewed the selected program's performance measures submitted in the Department of Natural Resources' budget request. Staff assessed these performance measures using the following common checklist:

1. Do the goals and performance measures correspond to the program's directives provided in statute?
2. Are the performance measures meaningful to stakeholders, policymakers, and managers?
3. Does the Department use a variety of performance measures (including input, output, efficiency, quality, outcome)?
4. Do the performance measures cover all key areas of the budget?
5. Are the data collected for the performance measures valid, accurate, and reliable?
6. Are the performance measures linked to the proposed budget base?
7. Is there a change or consequence if the Department's performance targets are not met?

Staff believes that the goals and performance measures used by the Department are consistent with the program's directives provided in statute. There is not a consequence if the Department's performance targets are not met. There is no reason to believe that the data collected is not valid, accurate, or reliable. However, as discussed below, the strategic plan for the Division of Parks and Outdoor Recreation lacked quantifiable data.

The following are examples of key goals and performance measures from selected programs or divisions.

1. *Executive Director's Office.* The performance for the Executive Director's Office were more vague than the goals established for the other three divisions. Staff believes that this is

reasonable given that the Executive Director's Office provides general oversight to the other divisions. Sample performance measures include:

- a. Number of workers' compensation claims (150 in FY 2005-06);
- b. Turnaround time for payment vouchers (3 days in FY 2005-06); and
- c. Number of accounting training sessions for each division (8 in FY 2005-06).

2. *Division of Reclamation, Mining, and Safety.* The performance measures for the Division of Reclamation, Mining, and Safety were typically workload measures (number of training sessions conducted, number of inspections/audits per year, number of permits issued, etc.). The measures had targets regarding the anticipated workload. It was not clear in some cases, what the broader policy objective was (i.e., eliminate the inventory of inactive mine sites requiring remediation by a specified date). In other cases, the Department referenced statutory requirements for the frequency of inspections or the time needed to process an application. Sample performance measures include:

- a. Number of hazardous mine openings closed (234 in FY 2005-06);
- b. Number of water quality treatment projects underway (14 in FY 2005-06);
- c. Number of miners in health and safety training sessions (8,386 in FY 2005-06);
- d. Monitoring inspections on total active mines (403 required and 443 completed in FY 2005-06);
- e. Number of permits and permit revisions (375 in FY 2005-06);
- f. Percentage of reviews performed prior to automatic approval deadline (100 percent in FY 2005-06); and
- g. Number of mine safety seminars (54 in FY 2005-06).

3. *Division of Parks and Outdoor Recreation.* The performance measures for the Division of Parks and Outdoor Recreation were qualitative in nature; as such many of the measures typically did not have a quantifiable output (e.g., increase visitation by X percent, or increase the percentage of reservations made on line by X percent). All of the performance measures are related to the statutory goals and mandates for the Division. However, the plan did not typically link specific performance objectives with the broader strategic objectives in the plan. For example, the percent of campsite reservations sold through the agency's web site was listed as the appropriate measurement for strategic objective #8 (provide an effective IT structure to deliver services). Staff could not find this information in the strategic plan to determine how well the Division is meeting this objective. Sample performance measures include:

- a. Develop stewardship plans for seven parks (three plans written in FY 2005-06);
- b. Develop a Law Enforcement Citation System to enable parks officers to input cases and incidents (Phase I of II in progress in FY 2005-06);
- c. Design, develop, and open Cheyenne Mountain, St. Vrain, and Staunton State Parks by December 2009 (initiated construction at Cheyenne Mountain, completed

- 44 campsites at St. Vrain, and continued fuel mitigation work at Staunton in FY 2005-06);
- d. Improve boating safety in Colorado; (will compile data and pursue legislation; in progress);
  - e. Increase electronic marketing of the parks (increased subscribers to electronic newsletter from 3,426 to 7,121).
4. *Division of Wildlife.* The Division of Wildlife has the most thorough list of workload measures. The budget request included a zero-based budget that referenced over 600 pages of workload measures and targeted goals. The document did an excellent job of linking specific budgetary activities to program objectives. The performance objectives are meaningful to all stakeholders. Sample performance measures include:
- a. Habitat Management (\$21.3 million budget)
    - Number of lease appraisals conducted (12 in FY 2005-06)
    - Total acres owned in fee title (380,514 acres in FY 2005-06)
  - b. Species Conservation (\$28.9 million budget)
    - Percent of conservation/recovery plan objectives met for Arkansas darter (80 percent)
    - Number of common shiner stocked (226 fish in FY 2005-06)
- Note:* some performance measures for species conservation appear to overlap those for habitat management (e.g., acres of habitat)
- c. Fishing Recreation (\$13.1 million budget)
    - Percent of users trained on new database (100 percent in FY 2005-06)
    - Number of lakes managed for fishing (2,010 lakes in FY 2005-06)
    - Total number of fishing licenses (760,131 licenses FY 2005-06)
  - d. Public Information (\$2.2 million budget)
    - Small game brochures printed and distributed (145,000 in FY 2005-06)
    - Number of interviews conducted with media sources (3,000 in FY 2005-06)
    - Number of newspaper articles written (220 in FY 2005-06)

*Note:* The following questions have been recommended for all state agencies. The Department of Natural Resources already provided answers to these questions at its hearing before the JBC on November 29, 2006.

It is not clear if the JBC would like to include these questions again for the hearing scheduled for December 14, 2006.

## **Questions for Department**

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Staff recommends that the Committee discuss the following questions with the Department during the FY 2007-08 budget hearing:

1. How do your performance measures influence department activities and budgeting?
2. To what extent do the performance outcomes reflect appropriation levels?
3. To what extent do you believe that appropriation levels in your budget could or should be tied to specific performance measure outcomes?
4. As a department director, how do you judge your department's performance? What key measures and targets do you used?



**FY 2007-08 Joint Budget Committee Staff Budget Briefing**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Parks and Outdoor Recreation**

**ISSUE:** The Department's FY 2007-08 General Fund request reflects an 11.5 percent increase over FY 2006-07. The JBC may want to consider using cash fund revenue to offset the need for General Fund in the Division of Parks and Outdoor Recreation.

**SUMMARY:**

- The Department has established a performance goal of making the park system financially viable. The JBC requested a footnote report from the Division of Parks and Outdoor Recreation for a feasibility study to make the Division an enterprise. This report was not submitted by November 1, 2006, as requested. The Department plans to submit this report prior to figure setting.
- The Department of Natural Resources requested an increase of \$3.3 million General Fund in FY 2007-08, which is an increase of 11.5 percent over the current year appropriation. Of this amount, \$1.8 million (55 percent of the General Fund increase) is attributable to the Division of Parks and Outdoor Recreation.
- Opportunities exist to increase cash fund revenue to the Division: (1) Decision Item #9, if approved, is estimated to generate \$1.1 million in net revenue; (2) a \$1 increase in the daily fee would generate an estimated \$650,000; and (3) a statutory change could increase the amount of fine revenue credited to the Parks and Outdoor Recreation Cash Fund by approximately \$65,000.
- The JBC may want to consider taking steps to increase revenue to the Division. Furthermore, the JBC may want to consider using this revenue to offset the need for General Fund.

**RECOMMENDATIONS:**

Staff recommends that the JBC ask the Department to respond to the following questions at its hearing before the JBC:

1. What steps has the Division taken since the passage of Referendum C to implement its strategic plan to ensure a financially viable park system?
2. Given that the 2002 user survey indicated a willingness for park users to support a \$1 fee increase for daily passes, why shouldn't the Division pursue such an increase for FY 2007-08?
3. If the Division is not willing to pursue a fee increase, would it make sense for the fees to be set in statute? Why or why not?

4. If the JBC reduced the General Fund appropriation to the Division by \$650,000 with a corresponding increase in cash fund spending authority in FY 2007-08, would the Division pursue increasing the fees for daily passes from \$5 to \$6?
5. The Department justified the request for additional FTE in Decision Item #9, in part, on the basis that the request, if approved, would result in an estimated net gain in revenue equal to \$1,087,945. Why shouldn't the JBC consider funding a portion of this anticipated revenue to offset the need for General Fund appropriations to the Division?
6. Justify the request for \$280,331 General Fund for the Division of Parks and Outdoor Recreation in Decision Item #9 and Decision Item #10. Why shouldn't cash funds be used?
7. Does the Division concur with the JBC staff that there may be a business case to increase the emergency reserve from \$500,000? If so, what level would the Department propose? Will the Department seek such a statutory change in the 2007 session?

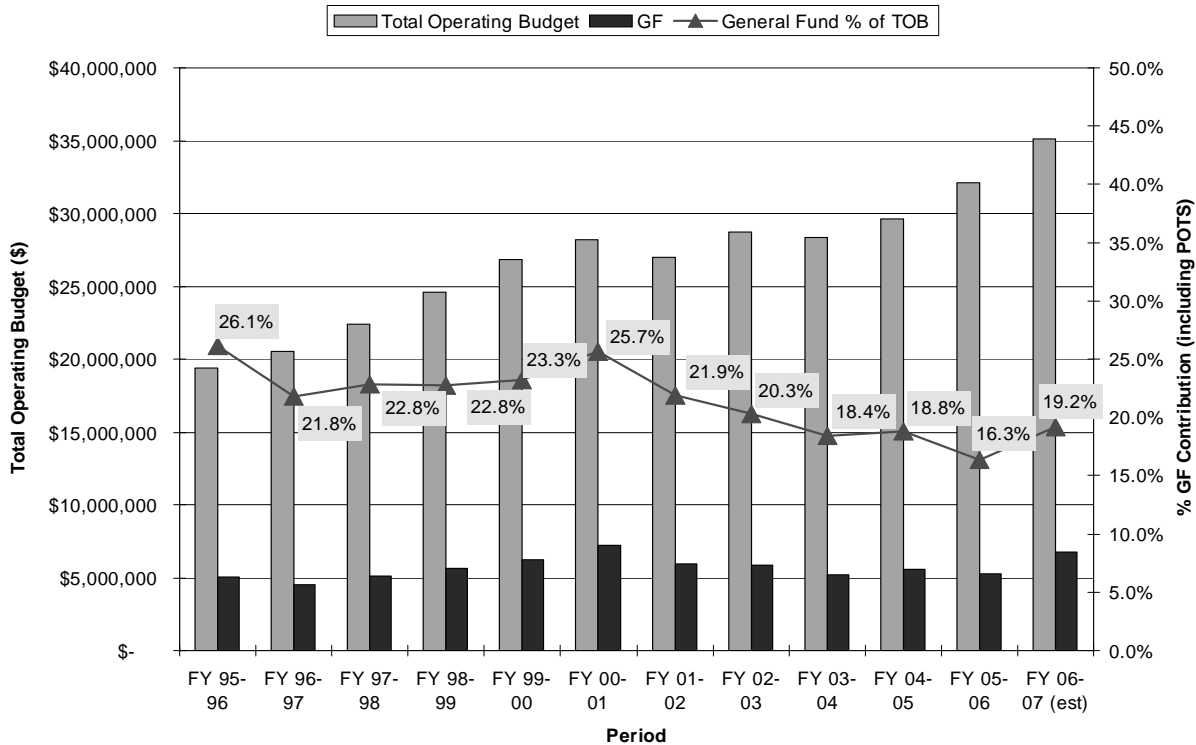
#### **DISCUSSION:**

***Strategic Plan for Self Sufficiency.*** The Department has established a performance goal of making the park system financially viable. The JBC requested a footnote report from the Division of Parks and Outdoor Recreation for a feasibility study to make the Division an enterprise. This report was not submitted by November 1, 2006, as requested. The Department plans to submit this report prior to figure setting.

***Potential Opportunity to Save General Fund.*** Staff believes that additional cash revenue could be used to offset the need for General Fund appropriations. In particular, the additional cash revenue could be used to offset the request for additional General Fund for the Division in FY 2007-08.

***Background — General Fund Subsidy to the Division of Parks and Outdoor Recreation.*** Historically, the General Assembly has appropriated General Fund to partially support the operations of the Division of Parks and Outdoor Recreation. Because of the reduction in General Fund revenues in recent years, General Fund appropriations to the Division have not kept pace with the increase in appropriations from other fund sources. Including central appropriations for employee benefits, the General Fund subsidy to the Division in the past 10 years has ranged from 16.0 percent to 26.0 percent. The following chart was prepared by the Division to reflect the General Fund appropriation for the Division of Parks and Outdoor Recreation compared with the total operating budget.

### Historic GF Contributions to DPOR Total Operating Budget



Source: Division of Parks and Outdoor Recreation, December 2006.

The remaining portion of the operating budget for the Division is primarily from the Parks and Outdoor Recreation Cash Fund. However, the budget includes some funds from Great Outdoors Colorado (GOCO), lottery proceeds, the Snowmobile Recreation Fund, the Off-highway Vehicle Recreation Fund, and federal funds.

**General Fund Increase Requested.** The Department requested a total increase of \$3.3 million General Fund in FY 2007-08, an 11.5 percent increase over the FY 2006-07 appropriation. Of this amount, more than 55 percent is attributable to the Division of Parks and Outdoor Recreation. Specifically, the Division requested an increase of \$1.8 million General Fund. Of this amount, approximately \$660,000 is for appropriations to the Division directly. The remaining amount is related to centrally appropriated line items for employee benefits, and other expenses such as workers' compensation, risk management, and leased space. The increase is shown in the following table.

<b>Requested General Fund Increase for the Division of Parks and Outdoor Recreation in FY 2007-08</b>	
<b>General Fund</b>	
Salary Survey for FY 2007-08	\$614,224
Performance-based Pay for FY 2007-08	118,337
Annualize Salary Survey from FY 2006-07	394,674
Workers' Compensation / Risk Mgmt. Increase	78,176
Health, Life, and Dental, Short-term Disability, and AED*	200,386
Shift Differential	(9,369)
MNT, GGCC, and Communication Increase	55,797
Vehicle Lease Increase	86,700
Leased Space and Capitol Complex Leased Space	5,466
Decision Item #9 – New State Park Facilities and Operations	7,691
Decision Item #10 – State Park Operational FTE	<u>272,640</u>
<b>Total</b>	<b>\$1,824,722</b>

\* Does not include AED requested for Decision Item #9 and Decision Item #10.

***Division of Parks and Outdoor Recreation Cash Fund.*** Pursuant to the provisions of Section 33-10-111, C.R.S., revenues collected by the Division are credited to the Division of Parks and Outdoor Recreation Cash Fund. The fund balance is projected to grow in the upcoming years. As has been discussed in briefing issues in prior years, the Division has recently pursued projects to increase revenue to the park system (e.g., luxury cabins at Mueller State Park, a conference center at Cheyenne Mountain State Park, and expanding marina facilities at Navajo State Park).

<b>Division of Parks and Outdoor Recreation Cash Fund</b>					
	<b>FY 2004-05 Actual</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Estimate</b>	<b>FY 2007-08 Estimate</b>	<b>FY 2008-09 Estimate</b>
Beginning Balance	876,888	1,349,255	1,325,279	1,717,066	2,366,167
Revenue	19,912,638	21,217,131	22,638,027	24,346,361	25,276,663
Expenditures	<u>(19,440,271)</u>	<u>(21,241,107)</u>	<u>(22,246,240)</u>	<u>(23,697,260)</u>	<u>(23,837,406)</u>
Ending Balance	1,349,255	1,325,279	1,717,066	2,366,167	3,805,424
Reserves Increase / (Decrease)	n/a	(23,976)	391,787	649,101	1,439,257
% Change	n/a	-1.8%	29.6%	37.8%	60.8%

\* The year-end balances include \$500,000, which is required pursuant to Section 33-10-111.5 (2), C.R.S.

**Market Assessment — Users Support Fee Increases.** In 2002, the Division commissioned a user study to assess the feasibility of raising fees. The study determined that some fee increases would be supported by park users. Fees were not raised prior to the passage of Referendum C due to concerns raised about the negative impact to the General Fund because of the TABOR limit. Based on the results of this study, the Department has advised staff that they have adjusted the annual fee from \$50 to \$55 following the passage of Referendum C. The Division has not adjusted the fees for daily passes despite the fact that the study revealed that most park users would be willing to support a \$1 increase in the daily pass from \$5 to \$6. The Department has advised staff that a new study will be conducted in 2007.

**Opportunities to Generate Additional Revenue to the Parks and Outdoor Recreation Cash Fund.**

1. In Decision Item #9, the Department estimated that the 11.5 FTE, if approved, would generate approximately \$1.1 million in *net* revenue for the Division. These employees would be involved in activities that are estimated to increase cash collections. See the following table.

Impact of Decision Item #9	
Estimated Gross Revenue	\$2,052,091
Cost of Decision Item #9	(964,146)
Estimated Net Revenue	\$1,087,945

2. The Division reports that an increase the daily pass fee from \$5 to \$6, would generate an estimated increase in revenue of \$650,000 cash funds. See the following table.

Impact of Increasing Daily Pass Fees from \$5 to \$6				
	Current Price	Potential Price	Difference	
Daily Pass Price	\$5.00	\$6.00	\$1.00	20.0%
Est. Passes Sold	746,000	730,000	(16,000)	-2.1%
Est. Revenue	\$3,730,000	\$4,380,000	\$650,000	17.4%

\* The \$650,000 in additional revenue reflects \$730,000 in additional revenue from the users who would still buy a pass, offset by \$80,000 for the estimated 16,000 users who would have bought a pass for \$5.

The Board of Parks and Outdoor Recreation is responsible for setting fees pursuant to Section 33-10-107, C.R.S. The Board is required to advise the JBC regarding any proposed fee increase by November 1 of each year pursuant to the provisions of Section 33-10-111.5, C.R.S.

*Note:* The Department has advised staff that a significant fee increase could cause visitors to choose alternatives to the state park system. To support this assertion, the Division advised

staff that California doubled the cost of an annual pass from \$65 to \$125 in 2004. The financial implication was cost neutral; the number of passes sold fell by almost half.

3. Statutory changes could be made to Section 33-15-103, C.R.S., which requires 50 percent of court fines for state park violations to be credited to the General Fund. These fines are penalties assessed for unlawful activities in state parks (unlawfully using the park without properly paying the required user fees, littering, camping unlawfully, eluding officers within the parks, leaving a fire unattended, starting a fire during a fire ban, damaging state property, operating a motor vehicle unlawfully, etc.). There may be a business case to credit 100 percent of the fine revenue to the Parks and Outdoor Recreation Cash Fund. This statutory change could generate \$65,000 in additional revenue to the fund.

***Department Concerns Regarding Proposal to Offset General Fund.*** In discussions with the Department regarding the self sufficiency of state parks, the Department cited a number of concerns regarding a potential reduction in General Fund for the State Parks.

1. *Some Activities Do Not Generate Revenue.* The Department contends that some of the Division's activities do not inherently generate revenue. Activities such as opening a new state park, educational programs, and trail maintenance and development do not generate revenue. Focusing on revenue generating activities may reduce land stewardship activities, and educational programs.

*Staff Analysis.* Refinancing will not reduce the appropriation to the Division. As long as there is a sufficient fund balance in the Parks and Outdoor Recreation Cash Fund, the Department should be able to continue with the activities necessary to operate the parks, including those activities that do not generate cash fund revenues.

2. *Rising Costs.* Parks costs are rising. Vehicle milage costs, utility costs, and park startup costs are rising.

*Staff Analysis.* No decision items were submitted for these items.

3. *Deferred Maintenance.* The Department contends that additional cash revenue to the Division could be used to pay for controlled maintenance.

*Staff Analysis.* The Division's distribution of Lottery proceeds and funds from Great Outdoors Colorado (GOCO) have been used for controlled maintenance projects in the past.

4. *Revenue Can Fluctuate.* The Department has advised staff that revenue to the Parks and Outdoor Recreation Cash Fund can fluctuate based on a variety of factors beyond the Department's control (weather, fire conditions, drought conditions, etc.). For example, the Division advised staff that revenue in the month of September 2006 was down approximately \$500,000 due to inclement weather on weekends during the month.

*Staff Analysis.* Staff makes two observations regarding this concern.

- a. Staff believes that this concern is valid. In particular, the Department may have difficulty managing if a sharp reduction of revenues occurs near the end of the fiscal year. Reductions earlier in the year can be managed by holding positions vacant and reducing discretionary spending.
- b. Staff believes that revenue fluctuations can be managed by ensuring that there is a sufficient cash fund balance in the event that revenues are not sufficient to support the appropriation in any given year. Pursuant to Section 33-10-111.5 (2), C.R.S., the Parks and Outdoor Recreation Emergency Reserve Fund contains a \$500,000 reserve. This reserve has not been adjusted since the reserved was established in 1989. There may be a business case to increase this reserve to ensure that a decline in revenues can be managed. The Department's budget indicates that it is estimated to have a fund balance of approximately \$1.7 million by the end of FY 2006-07. This amount includes the \$500,000 reserve, as required by Section 33-10-111.5 (2), C.R.S. **Staff recommends that the JBC discuss the adequacy of the reserve with the Department at its hearing.**

**FY 2007-08 Joint Budget Committee Staff Budget Briefing**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Reclamation, Mining, and Safety**

**ISSUE:** Recent technological advancements, changes in the energy market, and changes in federal policies have renewed interest in the development of oil shale on the western slope. There could be a significant impact to the state and to the Division of Reclamation, Mining, and Safety.

**DISCUSSION:**

***Oil Shale Reserves.*** Estimates of recoverable oil shale resources in the western United States range from 500 billion barrels to 1.1 trillion barrels. Of the four major oil shale basins in the country, the richest and thickest deposits are in the Piceance Basin in Northwestern Colorado. This 1,200 square mile area alone is estimated to contain 300 billion barrels of oil, approximately 48 percent of the Middle Eastern Reserves.

***Historical Efforts to Extract Shale.*** In the 1970s and 1980s, companies experimented with pilot tests and processes to extract oil from the oil shale beds in the western slope. The processes brought the shale to the surface, crushed the shale, and heated the shale to extract liquids (retorting), including the oil. According to the Department, these processes cost between \$70 and \$95 per barrel. Because of the high costs associated with these efforts (and the relatively low cost of oil at the time), oil companies ceased their oil shale operations in the 1980s.

***New Technology.*** More recently, technology has been developed to heat the oil shale while it is in the ground (in-situ retorting). This process requires the installation of heating elements into vertical shafts to warm the shale. The oil is released from the rock into the ground. The oil can then be recovered directly from the ground. According to a 2005 report by the RAND Corporation, this process could be profitable at a cost in the mid \$20s per barrel. Under this process, the area under development will be completely stripped of all surface vegetation.

When the shale is heated, contaminants are released into the ground. Efforts must be made to prevent these contaminants from leaching into the ground water. To contain the contaminants, a strategy has been developed to create an ice wall surrounding the production wells and the heating wells. The ice wall is designed to prevent the contaminants from migrating away from the site by creating an impermeable barrier between the extraction site and the groundwater. This ice wall is created by drilling freeze wall wells, spaced 8 to 10 feet apart. After an ice wall is formed, heating wells and extraction wells can be used to extract the oil.

After all of the recoverable oil has been extracted, the soil can be reclaimed to remove the contaminants. After the contaminants have been removed, the ice wall will be allowed to thaw, and the surface can be revegetated.



***Oil Shale Pilot Projects.*** To encourage further research and development of cost-effective technology to extract oil from the shale, the Bureau of Land Management has authorized five 160-acre pilot projects in the Piceance Basin in Northwestern Colorado to assess the feasibility of extracting oil from oil shale. Depending on the commercial viability of these small-scale pilot projects, the Department believes that large-scale commercial production leases may occur by 2008. Such leases would be authorized on 5,000-acre plots.

***Potential Impacts.*** There are a number of potential impacts associated with the large-scale development of oil shale. These include economic impacts to local communities, environmental impacts to habitat, air quality, and water quality, increases in state revenues, programmatic and budgetary impacts to state regulatory agencies, and impacts associated with the development of infrastructure to support the oil shale extraction activities.

- ▶ Surface water and groundwater impacts (water quantity and water quality).
- ▶ Air quality impacts (increased emissions of regulated pollutants such as sulfur oxides, nitrogen oxides, carbon monoxide, and particulates).
- ▶ Electricity impacts (need for additional power plants to supply electricity to support mining activities).
- ▶ Disturbed landscape, soils, and native vegetation from oil extraction activities, pipelines to transport the oil, and power lines to serve the area.
- ▶ Disturbed habitat for wildlife and livestock.
- ▶ Population growth and infrastructure to support the population.
- ▶ Local economic impacts and increased severance tax revenues.

***Department Budget Request.*** In response to the anticipated oil shale impact, the Department has submitted Decision Item #1 for \$213,418 cash funds (Operational Account of the Severance Tax Fund) and 1.0 FTE for an additional Environmental Protection Specialist.

The Department requests this FTE because of statutory time requirements for reviewing permits (180 days for scientific and legal review), the complexity of the operations, and the potential for environmental degradation. The Department anticipates that oil shale leasing will require a full Environmental Impact Statement (EIS) to be performed. The Department believes that a strong state presence is necessary to ensure that environmental concerns are addressed. The Department contends that it is critical to address the environmental impacts prior to permitting the sites. Because of the potential size of the commercial sites (5,000 acres), the environmental impacts could be significant.

In addition to the FY 2007-08 decision item request, the Department has indicated that it will be seeking funding in FY 2006-07 through a supplemental appropriation.

**DEPARTMENT OF NATURAL RESOURCES  
APPENDIX A**

This appendix provides a short summary for each of the nine decision items directly affecting the four divisions that are covered in this briefing packet: (1) Executive Director's Office; (2) the Division of Reclamation, Mining, and Safety; (3) the Division of Parks and Outdoor Recreation; and (4) the Division of Wildlife.

Decision Item #1 – DRMS Mineral's Environmental Specialist ..... A-2

Decision Item #5 – Responding to Energy Development on Colorado's Lands ..... A-3

Decision Item #9 – New State Park Facilities Operations and FTE ..... A-5

Decision Item #10 – State Parks Operational FTE ..... A-8

Decision Item #11 – Forfeited Mine Site Reclamation ..... A-11

Decision Item #13 – Additional Staff for Human Resources ..... A-13

Decision Item #16 – Legal Services for the Division of Wildlife ..... A-14

Decision Item #21 – Minerals, Energy, and Geology Education Assessment ..... A-15

Decision Item #24 – Public Education Advisory Council Spending Authority ..... A-16

**Decision Item #1 — Minerals Environmental Specialist FTE.** The Department of Natural Resources has requested an appropriation of \$213,418 cash funds (Operational Account of the Severance Tax Fund) and 1.0 FTE for an additional Environmental Protection Specialist. This position will work in the Minerals Regulatory Program. The Department requests 1.0 FTE to work with a team of 3.0 FTE that are currently funded in the Division. These 4.0 FTE will process and review of oil shale permits, and they will continue to inspect and enforce duties on existing mine operations. The position will be located in Grand Junction.

<b>Decision Item #1 – Minerals Environmental Specialist</b>			
<b>Subprogram</b>	<b>Line Item</b>	<b>Request</b>	
		<b>Cash Funds</b>	<b>FTE</b>
Executive Director's Office	Amortization Eq. Disbursement	837	
	Leased Space	2,928	
	Vehicle Lease Payments	4,680	
	Legal Services	128,763	
Mining, Reclamation, & Safety	Program Costs	<u>76,210</u>	<u>1.0</u>
<b>Total Request</b>		<b>213,418</b>	<b>1.0</b>

**Department Justification.** According to the Department, the additional workload stems from two sources: (1) proposed oil shale operations; and (2) an increase in uranium and vanadium permits. Vanadium is a companion mineral found in the majority of uranium mines that is used for making high-strength steel alloys for tools and automobile parts.

1. *Oil Shale.* The Bureau of Land Management anticipates five 160-acre research and development leases to be authorized to assess the feasibility of extracting oil from oil shale. According to the request, commercial production leases may occur by 2008. Such leases would be authorized on 5,000-acre plots. The Department believes the FTE is needed because of statutory time requirements for reviewing permits (180 days for scientific and legal review), the complexity of the operations, and the potential for environmental degradation.
2. *Uranium and Vanadium.* For economic reasons, there has been an increase in uranium and vanadium mining activities. New prospecting permits have increased. Five inactive but permitted sites are anticipated to resume operations, which will require inspections.

**Department Plan if the Request is Denied.** Based on the statutory time requirements for reviewing permits, the complexity of the operations, and the potential for environmental degradation from the operations, the Department stated that it will use existing staff to perform these reviews if the decision item is denied. This diversion of resources would reduce the amount of staff available to inspect and enforce active mine operations.

**Decision Item #5 — Responding to Energy Development on Colorado's Lands.** The Department of Natural Resources has requested an appropriation of \$148,736 and 2.0 FTE. Of the amount requested, \$10,504 is cash funds and \$138,232 is cash funds exempt. Both sources of funds are departmental indirect cost recoveries. Both positions are requested for the Executive Director's Office and will be based out of Denver. The Department requests these staff positions in response to the surging workload associated with the development of energy resources in Colorado, including effective state representation in federal resource planning processes. The request is summarized in the following table.

<b>Decision Item #5 – Responding to Energy Development on Colorado's Lands</b>				
<b>Executive Director's Office Line Item</b>	<b>Request</b>			
	<b>Cash Funds*</b>	<b>CFE*</b>	<b>Total</b>	<b>FTE</b>
Personal Services	0	138,232	138,232	2.0
Operating Expenses	8,708	0	8,708	
Amortization Eq. Disbursement	<u>1,796</u>	<u>0</u>	<u>1,796</u>	—
<b>Total</b>	<b>10,504</b>	<b>138,232</b>	<b>148,736</b>	<b>2.0</b>

\* Both fund sources are statewide and departmental indirect cost recoveries. Staff notes that if this decision item were denied, the indirect cost recoveries used to fund this decision item could be used to offset the need for General Fund elsewhere in the Department. As such, the JBC should consider this request as a General Fund request.

**Department Justification for the Request.** The Department contends that the recent surge in energy development has increased the workload on the Department. The Department acknowledges that the General Assembly has already provided resources to the Department in response to this increase. For example, the Department received funding for 13.0 FTE for the Oil and Gas Conservation Commission. This was in response to an 88 percent increase in gas drilling permit applications from 2002 to 2005, the doubling of active drilling rigs, and other similar trends.

Energy development activities have the potential to affect the quality of life. The Department requests these FTE as a part of the Department's mission to preserve and enhance Colorado's natural resources for the benefit of current and future citizens and visitors. According to the request, DNR's role in the planning process for this development will effectively give people of the state a voice and a seat at the table as alternatives are being developed and evaluated.

1. 1.0 FTE (General Professional IV) will be dedicated exclusively to coordinating responses from 10 DNR Divisions to "cooperating agency" requests from the Federal Government. This position will help to comply with federal requirements for Environmental Impact Statements (EIS) that are required by the National Environmental Policy Act (NEPA) for site specific applications that are determined to have a significant impact. According to the request, virtually all gas leasing and oil shale leasing will require a full EIS to be performed.

This position will assume the following responsibilities:

- A. Coordinate with other state departments, including the Department of Public Health, and Environment, in the development of state policies regarding the development of energy resources in the state.
  - B. Communicate the implications of energy development to the Executive Director of the Department and other parties, such as the Colorado General Assembly.
  - C. Assist the BLM in modifying resource management plans. Historically, state participation in plan modifications was minimal. In 2005, the BLM modified its planning regulations to ensure greater participation from governmental partners. Each plan revision takes from one to two years to complete. As of August 2006, eight plan revisions were under way dealing with threatened/endangered species, species of critical concern, visual impacts, water quality impacts, and quality of life impacts.
  - D. Convey the state's policy to federal agencies.
2. 1.0 FTE (General Professional VI) will be an Assistant Director of the Department and will represent the Executive Director and the State on a myriad of energy issues. Currently, the Department has one assistant director that works directly with five divisions.<sup>1</sup> This position sits in a formal capacity, as the Executive Director. The position attends Board and Commission meetings for all of the divisions. Active participation is necessary at these meetings to ensure that the divisions are aware of policies established by the Governor and Executive Director. The Department has indicated in its request that the demands placed on the Assistant Director have increased significantly on issues related to energy issues. The request, if approved, would provide resources for an Assistant Director designated to focus exclusively on issues related to energy development in Colorado. This position would work exclusively with the Oil & Gas Commission and the Division of Reclamation, Mining, and Safety. This position would also supervise the NEPA coordinator that is requested as a part of this decision item.

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<sup>1</sup> Forestry, State Land Board, Oil and Gas Conservation Commission, Reclamation, Mining and Safety, and Colorado Geological Survey.

**Decision Item #9 — New State Park Facilities and Operations.** The Department of Natural Resources has requested an appropriation of \$964,146 and 11.5 FTE. Of the amount requested, \$7,691 is General Fund and \$956,455 is cash funds (Parks and Outdoor Recreation Cash Fund). The Department requests these positions to support operations and personnel needs required by new and expanding facilities at various state parks throughout the state. The request is summarized in the following table.

<b>Decision Item #9 – New State Park Facilities and Operations</b>				
<b>Line Item</b>	<b>Request</b>			
	<b>General Fund</b>	<b>Cash Funds*</b>	<b>Total</b>	<b>FTE</b>
Amortization Eq. Disbursement (EDO)	7,691	0	7,691	
Vehicle Lease Payments (EDO)	0	18,700	18,700	
State Park Operations	<u>0</u>	<u>937,755</u>	<u>937,755</u>	<u>11.5</u>
<b>Total</b>	<b>7,691</b>	<b>956,455</b>	<b>964,146</b>	<b>11.5</b>

\*Parks and Outdoor Recreation Cash Fund, which receives revenue from annual passes, daily passes, and fees to access the parks and the amenities provided within the parks.

<b>Decision Item #9 – Proposed Allocation Among State Parks</b>				
<b>State Park</b>	<b>Requested Appropriation</b>		<b>Est. Revenue Impacts</b>	
	<b>Total Request</b>	<b>FTE</b>	<b>Gross Revenue</b>	<b>Net Revenue</b>
Navajo Marina Phase III	121,935	1.0	520,560	398,625
Chatfield	54,386	1.0	261,747	207,361
Cherry Creek	54,386	1.0	170,994	116,608
St. Vrain	86,306	1.0	163,125	76,819
Golden Gate	144,542	1.0	276,150	131,608
Mueller Cabins	64,977	1.0	183,600	118,623
Cheyenne Mountain	137,959	2.5	0	(137,959)
Elkhead	44,338	0.0	61,708	17,370
Pueblo	88,768	1.0	207,419	118,651
Lathrop / San Luis	69,154	1.0	78,146	8,992
Ridgeway Marina	<u>97,398</u>	<u>1.0</u>	<u>128,642</u>	<u>31,244</u>
<b>Total</b>	<b>964,149</b>	<b>11.5</b>	<b>2,052,091</b>	<b>1,087,942</b>

***Department Justification for the Request.*** The Department requests additional resources in response to continued growth in the visitor base to the state parks as the demand for outdoor recreation experiences continues to grow. The Department has invested in new cabins, new campsites, new camper services buildings, and expanded facilities, such as the marina at Navajo state park. According to the Department, the request has the following benefits: (1) it will protect our natural resources and maintains the Department's investments in facilities; (2) it will provide citizens with services and will promote recreation opportunities; and (3) it will develop a revenue stream to help the state parks to become self reliant.

*Navajo Marina Phase III.* The requested FTE will be a mechanic to provide boat repairs and maintenance services to the expanding fleet of boats owned and managed by the Division.

*Chatfield.* The requested FTE will operate and manage 44 new campsites, a camper services building, and will upgrade 153 single campsites and 10 group campsites.

*Cherry Creek.* The requested FTE will operate and manage 31 new campsites, a new camper services building, 3 new group loops and campground, and additional comfort stations throughout the campground.

*St. Vrain.* The requested FTE is an administrative position related to 100 new camping sites built between 2005 and 2007. The position sell passes and fishing licenses, and it will perform clerical duties to allow existing park staff to focus on park management duties.

*Golden Gate.* The requested FTE will manage and maintain two cabins and two 4-bedroom houses. The cabins and one house were recently acquired by the Division. The Division expects the second house to be donated to the Division within a year.

*Mueller Cabins.* The requested FTE is to assist the operation of three newly constructed deluxe cabins at the park.

*Cheyenne Mountain.* One FTE is a maintenance position for the event center, in addition to other park facilities as this park is built out. One FTE will market the event center at the park. A second position will work as an event manager to manage functions and coordinate with customers prior to and during meetings and events – 0.5 FTE is requested for this position as it will be filled in January 2008. Annualization will be required.

*Elkhead.*

Significant changes are being made to the park to increase the capacity of the reservoir. The request will fund four seasonal employees to manage facilities at the park based on an increase in anticipated visitation.

*Pueblo.*

The requested FTE will assist in managing a newly acquired property with seven fishing ponds that will be stocked by the Division of Wildlife. The FTE would patrol the lakes to identify problems or violations, resolve disputes, and conduct educational lectures and walks.

*Lathrop / San Luis.*

The requested FTE is to patrol Lathrop State Park in response to increased park visitation following major renovations in recent years.

*Ridgeway Marina.*

The requested FTE will be used to manage marina operations that had previously been operated by a private vendor. In 2005, the contract was put out to bid, but no bids were received that met the minimum qualifications.



**Decision Item #10 — State Park Operational FTE.** The Department of Natural Resources has requested an appropriation of \$639,411 and 12.5 FTE. Of the amount requested, \$272,640 is General Fund, \$338,277 is cash funds (Parks and Outdoor Recreation Cash Fund), and \$28,494 is federal funds. The Department requests these positions to support operations and personnel needs in at various state parks throughout the state. The request is summarized in the following table.

Decision Item #10 – State Park Operational FTE					
Line Item	Request				
	Gen. Fund	Cash Funds*	Fed. Funds	Total	FTE
Amortization Eq. Disbursement	7,451	0	0	7,451	
Vehicle Lease Payments	0	5,100	0	5,100	
State Park Operations	<u>265,189</u>	<u>333,177</u>	<u>28,494</u>	<u>626,860</u>	<u>12.5</u>
<b>Total</b>	<b>272,640</b>	<b>338,277</b>	<b>28,494</b>	<b>639,411</b>	<b>12.5</b>

\*Parks and Outdoor Recreation Cash Fund, which receives revenue from annual passes, daily passes, and fees to access the parks and the amenities provided within the parks.

Decision Item #10 – State Park Operational FTE					
State Park / Position	Request				
	Gen. Fund	Cash Funds	Fed. Funds	Total Funds	FTE
Lory	589	52,998	0	53,587	1.0
Rifle	589	52,998	0	53,587	1.0
Eleven Mile	484	40,735	0	41,219	1.0
Entrance Automation	1,210	100,138	0	101,348	1.5
Crawford State Park	809	40,735	28,494	70,038	1.0
Stagecoach Tourist Asst.	325	32,642	0	32,967	1.0
Acct. I for Financial Serv.	42,174	3,005	0	45,179	1.0
Admin. Asst. II	30,005	3,005	0	33,010	1.0
IT Professionals	107,940	6,010	0	113,950	2.0
Fuel Mitigation – GIS	46,409	3,005	0	49,414	1.0
Eldorado Canyon	<u>42,107</u>	<u>3,005</u>	<u>0</u>	<u>45,112</u>	<u>1.0</u>
<b>Total</b>	<b>272,641</b>	<b>338,276</b>	<b>28,494</b>	<b>639,411</b>	<b>12.5</b>

\* Note: General Fund positions were calculated as an 11-month appropriation because of the pay date shift.

***Department Justification for the Request.*** In January 2001, a consultant (KPMG, LLC) was hired by the Department to quantify the appropriate number of staff, by supervisory level, that would be needed for efficient and effective Division operations. Following the study, the Department submitted a major decision seeking a total of 79.8 FTE over a two-year period. The General Assembly approved 43.8 FTE in FY 2001-02. However, it was not feasible to add more FTE in subsequent years because of the recent economic downturn.

*Lory State Park.* The requested FTE (cash funds) will work as a resource technician to perform maintenance at the park. A similar position was assigned to this park in 2003, but it was eliminated as a result of budget reductions.

*Rifle Gap State Park.* The requested FTE (cash funds) will work as a resource technician. The position is requested because of increased workload associated with recent improvements at the park (full hook up camp sites, shower building, new visitor center, new water system, new boat ramp, new cabins, new picnic sites, and new camp sites).

*Eleven Mile State Park.* The requested FTE (cash funds) will work as an administrative assistant to provide clerical service and customer service to visitors (sale of passes, registrations at the park office, accounting functions, etc.).

*Entrance Automation.* The requested FTE (cash funds) will provide support for contractors developing the system. Following deployment, this position will assume the day-to-day responsibilities for the systems. One of the two positions will only work for 6 months. In FY 2007-08, only 1.5 FTE are needed.

*Crawford State Park.* The requested FTE (cash funds and federal funds) will work as a park manager at a complex containing three state parks. These three parks are currently served with one manager.

*Stagecoach.* The requested FTE (cash funds) will work as an administrative assistant to provide clerical service and customer service to visitors (sale of passes, registrations at the park office, accounting functions, etc.).

*Acct. Financial Services.* The requested FTE (General Fund) will assist existing staff to book all revenue on a monthly basis. It will reduce the need for overtime and the reliance on seasonal workers.

*Administrative Asst.* The requested FTE (General Fund) will replace seasonal workers who provide data entry services into the Law Enforcement Citation System.

*IT Professionals.*

1.0 FTE (General Fund) will work on the Voice-Over-Internet-Protocol Deployment. This project was initiated in FY 2005-06 with Lottery proceeds, that are not subject to appropriation by the General Assembly.

1.0 FTE (General Fund) will provide support for the Division to use the Department's MNT network.

*Fuels Mitigation.*

The requested FTE (General Fund) will be responsible for coordinating a \$3.0 million federal grant from the Federal Emergency Management Agency for fuels mitigation projects at 14 parks.

*Eldorado Canyon.*

The requested FTE (General Fund) will work as a resource technician to perform maintenance at the park. A similar position was assigned to this park in 2001, but it was eliminated as a result of budget reductions.

**Decision Item #11 — Forfeited Mine Site Reclamation.** The Department of Natural Resources has requested an appropriation of \$342,000 cash funds (Operational Account of the Severance Tax Fund) to a new line item entitled "*Forfeited Mine Site Reclamation.*" for use by the Department's Inactive Mine Reclamation Program. The Department is also requesting a footnote to this line item that reads as follows:

"It is the intent of the General Assembly that these funds remain available until the completion of the project or the close of FY 2009-10, whichever comes first. At project completion or the end of the three-year period, any unexpended balances shall revert to the Operational Account of the Severance Tax Trust Fund from which they were appropriated."

The Department's request is reflected in the following table.

Decision Item #11 – Minerals Environmental Specialist		
Subprogram	Line Item	Cash Funds
Mining, Reclamation, & Safety	FORFEITED MINE SITE RECLAMATION (NEW LINE)	837

**Background on "Forfeited" Mine Sites.** The Department explains that there are currently 42 "forfeited" mine sites. According to the Department, these mine sites have been forfeited for a number of reasons that include: (1) mines with inadequate financial/warranty bonds, (2) mines covered by a surety company that is in bankruptcy, (3) mines with a deceased mine operator. The Department has prioritized 10 of these sites for remediation that encompass approximately 221 acres of land. This request, if approved, would enable the Inactive Mine Reclamation Program to reclaim these 10 prioritized mine sites.

**History of Mining Reclamation.** The three phases of mining reclamation that has occurred in Colorado is summarized below:

1. *Pre-1976 ("Pre-law").* Prior to 1976, mines were not permitted. Such mines are referred to as "abandoned" mines. Federal funds have been provided to safeguard these mine sites, but not for environmental degradation. However, federal funding has been static over 20 years, which has resulted in a 56 percent decline in purchasing power.
2. *1976-1993 ("Post-law with Bond Caps").* Mines established between 1976 and 1993 were required to post a bond amount. However, the bond amount was set on a per acre basis, which did not adequately capture the true cost of reclaiming these sites based on the types of metals and hazardous materials exposed to the surface.
3. *1993-Present ("Post-law with Bond Calculations).* Since 1993, the Division of Reclamation Mining and Safety has had the authority to set bond amounts that more realistically reflect the potential cost of cleaning up the sites.

**Justification for the Request.** The Department contends that it has limited assets to fully reclaim and control conditions at these mine sites. The Department states that, without the requested appropriation, it will be unable to address the physical and environmental problems at these mine sites. This will expose the public to potential accidents or deaths if people trespass in and around hazardous mine sites. Furthermore, the Department believes that unstable mine tailings could migrate into nearby water sources which could threaten aquatic species habitat, and public storage treatment systems.

**Explanation of Anticipated Expenditures.** The Department indicates that the sites may contain hazards that require remediation. These hazards include waste rock that forms sulfuric acid and leaches heavy metals into the watershed; shafts that are not stable; shafts that contain poisonous gases; and open shafts that may tempt curiosity seekers. The Department identified the 10 prioritized sites as shown in the following table.

<b>Decision Item #11 – Summary of Forfeited Mine Sites</b>		
	<b>Avail. Funding (Bond Amt)</b>	<b>Add'l Funding Needed</b>
Bueno Mine, Boulder County	No Bond	50,000
Druid Mine, Gilpin County	5,000	8,000
Glory Hole Mine, Gilpin County	5,000	100,000
Mills Masco Mine, Gilpin County	500	12,000
Sherman Mine, Lake County	92,000	10,000
Yule Quarry, Gunnison County	9,500	15,000
Colo. Gold & Silver Mine, Hinsdale County	1,000	15,000
Mountain Top Mine, Ouray County	2,495	20,000
Nimbet Trust Mine, Ouray County	650	2,000
Alaska Project, San Juan County	<u>5,000</u>	<u>10,000</u>
<b>Total</b>	<b>121,145</b>	<b>242,000</b>

**Decision Item #13 — Additional Human Resources Staff.** The Department of Natural Resources has requested an appropriation of \$98,878 cash funds and 2.0 FTE for additional human resources staff in the Executive Director's Office. Of the funds requested, \$90,690 is cash funds exempt (indirect cost recoveries from all divisions excluding the Division of Wildlife) and \$8,188 is cash funds (indirect cost recoveries from the Division of Wildlife). See the following table.

<b>Decision Item #13 – Additional Human Resources FTE</b>				
<b>Line Item</b>	<b>Request</b>			
	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Total</b>	<b>FTE</b>
Personal Services	0	90,690	90,690	2.0
Operating Expenses	7,010	0	7,010	
Amortization Eq. Disbursement	<u>1,178</u>	<u>0</u>	<u>1,178</u>	—
<b>Total</b>	<b>8,188</b>	<b>90,690</b>	<b>98,878</b>	<b>2.0</b>

\* Both fund sources are statewide and departmental indirect cost recoveries.

**Department Justification.** The Department makes the following points to justify its request:

1. *New Positions to Fill.* The Department cites 20 new positions that were added in FY 2006-07 and an additional 219 temporary positions that were created over the two-year period from FY 2005-06 to FY 2006-07. The Department has had difficulty in filling positions. Last year, 255 positions were filled (17.5 percent of its total positions), which includes some positions that were filled more than one time because of turnover.
2. *High Turnover Rate.* The contends that they have had a higher turnover rate in recent years. The Department believes that turnover is higher because performance-based pay has not been fully funded. No specific data was provided to support this contention.
3. *Additional Work for Human Resources Staff.* The Department indicates that its human resources staff has a higher workload associated with recruiting. The Department provided data suggesting that the number of qualified applicants are diminishing (e.g., the applicant pool for Park Manager I positions declined from 107 applicants in early 2005 to 49 applicants in late 2005). The Department believes that it must develop strategies to recruit applicants and retain employees.
4. *High Workload for Existing Human Resources Staff.* The Department stated that, on average, its human resources staff is responsible for 20 selection processes at any point in time. The Department contends that optimal workload is 10 to 13 processes at any point in time. The Department also states that, on average across private and public sector entities, 0.9 Human Resources FTE are necessary per 100.0 agency FTE. When considering its temporary FTE, the Department contends its ratio is 1.0 HR FTE per 138.0 agency FTE.

**Decision Item #16 — Legal Services for the Division of Wildlife.** The Department of Natural Resources has requested an appropriation of \$121,986 cash funds exempt (Division of Wildlife Cash Fund) for 1,800 hours of legal services in FY 2007-08.

Appropriations from the Division of Wildlife Cash Fund are considered to be exempt from Article X, Section 20 of the State Constitution because the Division of Wildlife is designated as an enterprise pursuant to the provisions of Section 33-1-103 (9.5) (a), C.R.S.

**Department Justification for the Request.** According to the request, the Division of Wildlife has begun a significant expansion in its ongoing real property acquisition program. The request indicates that the majority of this expansion is for conservation easements, as well as third party easements, which by their nature tend to be more complex. As such more time is required for legal review. In FY 2004-05, the Division entered into four conservation easements. The Department billed approximately 400 hours for this work, approximately 100 hours per conservation easement.

The Department has a goal of entering into 20 conservation easements per year. The Department requests funding for an additional 1,800 hours of legal services to support the increase from four conservation easements in FY 2004-05 to 20 conservation easements in FY 2007-08.

<b>Decision Item #16 – Legal Services for the Division of Wildlife</b>			
	<b>Easements</b>	<b>Hours</b>	<b>Hours/Easement</b>
FY 2007-08 Goal	20	2,200	110.0
FY 2004-05 Actual	<u>4</u>	<u>400</u>	<u>100.0</u>
<b>Total Incremental Need</b>	<b>16</b>	<b>1,800</b>	<b>10.0</b>

**Decision Item #21 — Mineral, Energy, and Geological Assessment.** The Department of Natural Resources has requested an appropriation of \$78,000 cash funds (Operational Account of the Severance Tax Trust Fund) to a new line item in FY 2007-08. The Division of Reclamation, Mining, and Safety will use these funds to contract for 780 hours of services (at a rate of \$100 per hour) for the assessment and preparation of educational materials. According to the Department, the appropriation will fund three primary activities:

1. Inventory the current educational materials for minerals, energy, and geology education and assess how they align with state student assessment standards;
2. Review existing materials for fairness, accuracy, depth, emphasis on skill building, action orientation, instructional soundness, and usability;
3. If the assessment recommends expanding the use of such materials in the classrooms, utilize existing teacher liaison networks to pilot several mineral educational resources to increase their effectiveness in the classroom.

The request is summarized in the following table

<b>Decision Item #21 – Mineral, Energy, and Geological Assessment</b>		
<b>Components of Request</b>	<b>Time Estimate (Hours)</b>	<b>Cost Estimate (Cash Funds)</b>
Assessment/Inventory	150	\$15,000
Correlate Preferred Materials to Model Content Standards	130	13,000
Review Materials for Quality Characteristics	300	30,000
Add Resource Information to Database	100	10,000
Pilot Preferred Materials Through Teacher Liaison Network	<u>100</u>	<u>10,000</u>
<b>Total Request</b>	780	\$78,000

**Department Justification for the Request.** According to the request, the Department contends that there is a need for Colorado's citizens to have a better understanding of mineral and energy resource development, use, and reclamation. The request indicates that there is an opportunity to improve the public's perception and knowledge of minerals, energy, and geology. Funding this request out of severance tax revenues was recommended by the Minerals, Energy, and Geology Advisory Board (MEGA Board) at their June 2005 meeting, and reauthorized at its January 2006 meeting and again at its May 2006 meeting.



**Decision Item #24 — Public Education Advisory Council.** The Department of Natural Resources has requested an appropriation of \$900,000 cash funds exempt (Wildlife Management Public Education Fund) to the "Wildlife Management" line item in FY 2007-08. The request is to fund the Wildlife Management Public Education Advisory Council's (PEAC's) public information campaign. In the 2006 session, the General Assembly approved a one-time appropriation of \$900,000 cash funds exempt to pay for the public information campaign in FY 2006-07. This request is for a continuation appropriation.

Appropriations from the Wildlife Management Public Education Fund are considered to be exempt from Article X, Section 20 of the State Constitution because the Division of Wildlife is designated as an enterprise pursuant to the provisions of Section 33-1-103 (9.5) (a), C.R.S.

**Background.** The Wildlife Management Public Education Advisory Council (PEAC) was created in 1998 pursuant to the provisions of H.B. 98-1409 (Rep. S. Johnson / Sen. Dennis). PEAC is responsible for the development and implementation of a comprehensive media-based public information program to educate the general public about the benefits of wildlife, wildlife management, and wildlife-related recreational opportunities in Colorado (see Section 34-4-120, C.R.S.). Originally, PEAC received gifts, grants, and donations with a primary source of revenue coming from an income tax checkoff. In 2005, a \$0.75 surcharge was established on hunting and fishing licenses pursuant to H.B. 05-1266 (Rep. Stengel / Sen. Isgar). These funds are credited to the Wildlife Management Public Education Fund created in Section 33-1-112 (3.5) (a), C.R.S.

**Department Justification for the Request.** The request is based on the anticipated revenue to the fund and the desire to continue implementing the media campaign that was funded on a one-time basis in FY 2006-07. This media campaign is consistent with the statutory objectives established to educate and inform the public about the role that hunting and fishing play in managing healthy wildlife populations. Furthermore, the request is consistent with the statutory objectives of the \$0.75 surcharge that has been established on hunting and fishing licenses. The request includes estimates of how the funds would be spent. These are summarized in the table on the following page.

<b>Decision Item #24 – Public Education Advisory Council in the DOW</b>		
<b>Budget Component</b>		<b>Estimated Expenditure</b>
<b>Media Budget</b>		
Denver/Northern Front Range	Television	422,579
Denver/Northern Front Range	Newspaper	181,106
Colorado Springs / Pueblo	Television	112,687
Colorado Springs / Pueblo	Newspaper	48,295
Western Slope	Television	28,172
Western Slope	Newspaper	<u>12,074</u>
<b>Sub-total Media Budget</b>		<b>804,913</b>
<b>Administration</b>		
Benchmark Research	Contract	34,087
Public Relations	Contract	18,000
TV Production	Contract	7,000
Newspaper Production	Contract	6,000
Project Coordination	Contract	<u>30,000</u>
<b>Sub-total Administration</b>		<b><u>95,087</u></b>
<b>Total Request</b>		<b>900,000</b>