

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2013-14 STAFF FIGURE SETTING

DEPARTMENT OF NATURAL RESOURCES

(Executive Director's Office; Division of Parks and Wildlife; Colorado Water Conservation Board; and Water Resources Division)

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

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DEPARTMENT OF NATURAL RESOURCES

(Executive Director's Office; Division of Parks and Wildlife; Colorado Water Conservation Board; and Water Resources Division)

Department Overview

The Department is responsible for developing, protecting and enhancing Colorado's natural resources for the use and enjoyment of the State's present and future residents and visitors. The Department is comprised of the following divisions:

- The **Executive Director's Office** develops policy on matters that overlap divisional responsibilities. The office also provides budget and planning coordination, accounting, financial management support, human resources services, public information and environmental education coordination, and other services to the divisions.
 - The **Division of Reclamation, Mining, and Safety** (*this division will be discussed in a separate figure setting packet*).
 - The **Colorado Geological Survey** (*this division will be discussed in a separate figure setting packet*).
 - The **Oil and Gas Conservation Commission** (*this division will be discussed in a separate figure setting packet*).
 - The **State Board of Land Commissioners** (*this division will be discussed in a separate figure setting packet*).
 - The Division of **Parks and Wildlife** consists of two sub-divisions, **State Parks** manages recreational opportunities in 42 state parks and **Wildlife** manages the state's 960 game and non-game wildlife species through the issuance of hunting and fishing licenses, the enforcement of wildlife regulations, and the administration of more than 295 state wildlife areas.
 - The **Colorado Water Conservation Board** promotes conservation of the state's water resources to ensure maximum use and flood prevention.
 - The **Water Resources Division** ("State Engineer's Office") administers and enforces water rights throughout the state.
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DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Committees of Reference SMART Act Recommendations

House Agriculture, Livestock, and Natural Resources Committee and Senate Agriculture, Natural Resources, and Energy Committee. The SMART Act allows a Committee of Reference to make formal recommendations to the Joint Budget Committee regarding the budget requests of the state agencies that they oversee.

The **House Agriculture, Livestock, and Natural Resources Committee** met on January 28, 2013, and recommended that "the JBC request the Colorado Oil and Gas Conservation Commission to provide a prioritized inspection schedule for oil and gas wells to ensure that environmental and other problems are identified and resolved in the most timely and efficient manner. It should also consider authorizing additional FTE for inspections in addition to the 5.0 FTE requested by the department for FY 2013-14, based upon the best available science and the necessity of such prioritization and FTE. In addition, the committee recommends to the JBC the restoration of \$300,000 and approximately 2.0 to 2.5 FTE for the Colorado Geological Survey to cover some of the needed functions which have been transferred to the Colorado School of Mines."

The **Senate Agriculture, Natural Resources, and Energy Committee** met on January 24, 2013, and recommended that the JBC approve the Department's requests for:

- "• five additional FTE for the Colorado Oil and Gas Conservation Commission, including three field inspectors, one environmental protection specialist, and one professional engineer (including 4 vehicles and other associated costs) to address the workload associated with continued growth in the number of active oil and gas wells operating in Colorado;
- \$82,832 cash fund spending authority and 1.0 FTE for the State Board of Land Commissioners to improve oil and gas leasing and oversight activities;
- a reduction in the Division of Water Resources' Long Bill appropriation from the current 12 line items to 8 line items. This change would provide the division greater flexibility to address unexpected and changing expenses, such as increases in mileage costs. Transparency will be ensured through budget tracking in the new Colorado Financial Reporting System (COFRS) which will, for example, allow the Division to report on spending on the Dam Safety program (as an example of something that is currently not its own line item). Additional transparency and accountability will occur under the SMART Government Act performance reporting. [emphasis added]
- \$100,000 of additional cash fund spending authority for the Division of Water Resources from voluntary cash fees paid by cooperating agencies with an interest in specific division-operated stream gauges. Funding will be used to meet increasing operational expenses associated with a growing number of division-operated stream gauges. [emphasis added]
- one-time spending authority in FY 2013-14 to enable the Division of Reclamation, Mining, and Safety to redirect \$100,000 that is normally used for safeguarding abandoned mine sites to complete an e-permitting system in the Minerals Program. Currently, only paper copies of mining permit applications, revisions, and annual reports may be submitted. The new system will be more efficient for both the division (in the form of less data entry and less data entry errors)

and for industry (immediate feedback on missing fields will eliminate delays in permit processing). The loss of this funding will not appreciably change the pace of addressing mine site safeguarding due to the availability of significant federal funding for this purpose.

Other recommendations. The Senate Agriculture, Natural Resources, and Energy Committee also recommends that the JBC request the Colorado Oil and Gas Conservation Commission to provide a prioritized inspection schedule for oil and gas wells to ensure that environmental and other problems are identified and resolved in the most timely and efficient manner. It should also consider authorizing additional FTE for inspections in addition to the 5 FTE requested by the department for FY 2013-14.

Request not recommended. The committee does not recommend that the JBC authorize the Department of Natural Resources' request for \$399,881 cash funds spending authority and 2.0 FTE for the State Board of Land Commissioners to establish additional lines of business and diversify sources of trust income. The committee recommends that the board use existing personnel and resources for this purpose. The JBC should also request that the State Board of Land Commissioner provide regular updates on the use of moneys from the Investment and Development Fund to ensure that these moneys are being used effectively."

JBC staff will discuss in this packet only the Committees of Reference recommendations made for the Water Resources Division. The Colorado Oil and Gas Conservation Commission, the Colorado Geological Survey, the State Board of Land Commissioners, and the Division of Reclamation, Mining and Safety recommendations will be discussed in a separate figure setting packet.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Staff Recommendation for the Entire Department

The staff recommendations for the entire department are summarized in the table below, followed by brief description of each item listed.

Department of Natural Resources (ALL DIVISIONS)						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	229,122,404	23,512,116	176,229,214	8,636,648	20,744,426	1,464.1
HB 12-1349 SCTF	4,000,000	0	4,000,000	0	0	0.0
SB 12S-002 CWCB Projects Bill	28,350,857	0	28,350,857	0	0	0.0
Other legislation	1,144,311	228,047	916,264	0	0	0.0
SB 13-098 NAT FY 13 Supplemental	<u>160,389</u>	<u>28,120</u>	<u>123,527</u>	<u>4,886</u>	<u>3,856</u>	<u>0.0</u>
TOTAL	\$262,777,961	\$23,768,283	\$209,619,862	\$8,641,534	\$20,748,282	1,464.1
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$262,777,961	\$23,768,283	\$209,619,862	\$8,641,534	\$20,748,282	1,464.1
R-1 OGCC Field Inspectors	526,077	0	526,077	0	0	5.0
R-2 SLB Minerals Coordinator	62,419	0	62,419	0	0	1.0
R-3 WRD Line Item Consolidation	0	0	0	0	0	0.0
R-4 WRD Satellite Monit. System	100,000	0	100,000	0	0	0.0
R-5 DRMS E-Permitting	0	0	0	0	0	0.0
R-6 EDO Legal Services	123,600	0	123,600	0	0	0.0
R-7 SLB Strat. Business Initiatives	287,317	0	287,317	0	0	2.0
R-8/BA-8A DPW Merger Cost Savings	(1,571,960)	0	(1,571,960)	0	0	(22.0)
R-9 DPW Wildlife Refinance	5,626,760	0	(3,000,000)	0	8,626,760	0.0
R-10 EDO OIT Staffing Correction	0	0	0	0	0	0.0
R-11 EDO Leased Space	58,844	985	54,286	0	3,573	0.0
BA-1A Hazardous Fuels Reduction	0	0	0	0	0	0.0
BA-7A Air Fugitives Inventory	12,000	0	12,000	0	0	0.0
BA-8B HB 12-1355 and HB 13-1057	(4,547,748)	0	(2,994,599)	(576,345)	(976,804)	(25.7)
NP-1 EDO Employee Survey	12,673	2,173	9,846	362	292	0.0
NP-2 EDO OIT Ent. Asset Mgt.	36,526	4,687	30,450	774	615	0.0
NP-3 Capitol Comp. Buildings	72,887	15,869	36,765	12,465	7,788	0.0
Base Common Policy Adjustments	7,049,285	1,796,235	5,703,796	(571,723)	120,977	0.0
Base Indirect Costs Adjustments	688,809	0	627,303	0	61,506	0.0
Base Federal Funds Adjustments	27,000	0	0	0	27,000	0.0
Base Fund Source Adjustments	0	(1,579,123)	0	1,579,123	0	0.0
Base Annualization S.B. 12S-002	(28,350,857)	0	(28,350,857)	0	0	0.0
Base Annualization H.B. 12-1349	(4,000,000)	0	(4,000,000)	0	0	0.0
Base Annualization H.B. 12-1278	(910,900)	0	(910,900)	0	0	0.0
Base Annualization Other Bills	(409,605)	(256,167)	(144,696)	(4,886)	(3,856)	0.0
Base IT Common Policy Adjustments	(257,232)	353,383	(246,577)	(303,039)	(60,999)	0.0
Base Annualization FY 13 DI #1	<u>(26,815)</u>	<u>0</u>	<u>(26,815)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$237,387,041	\$24,106,325	\$175,947,317	\$8,778,265	\$28,555,134	1,424.4
Increase/(Decrease)	(\$25,390,920)	\$338,042	(\$33,672,545)	\$136,731	\$7,806,852	(39.7)
Percentage Change	(9.7%)	1.4%	(16.1%)	1.6%	37.6%	(2.7%)
FY 2013-14 Executive Request:	\$247,371,233	\$34,406,165	\$175,686,242	\$8,757,128	\$28,521,698	1,424.4
Request Above/(Below) Recommendation	\$9,984,192	\$10,299,840	(\$261,075)	(\$21,137)	(\$33,436)	(0.0)

Issue Descriptions

Recommendations that are highlighted will be discussed as part of a separate figure setting document.

R-1 OGCC Additional Field Inspectors, Environmental, and Engineering Staff: The recommendation provides \$526,077 cash funds from the Oil and Gas Conservation and Environmental Response Fund (supported by a mil levy on oil and gas production) and 5.0 FTE to expand the Oil and Gas Conservation Commission's inspection, environmental, and engineering staff. **This recommendation will be discussed in a separate figure setting document.**

R-2 SLB Minerals Field Coordinator: The recommendation provides \$62,419 cash funds and 1.0 FTE to hire a field coordinator to improve management and oversight of oil and gas development on State Trust Lands. **This recommendation will be discussed in a separate figure setting document.**

R-3 WRD Line Item Consolidation: The recommendation consolidate the 12 line items that the Water Resources Division is currently funded through into eight total line items organized in two sub-divisions: Operations and Special Purpose. For FY 2013-14.

R-4 WRD Satellite Monitoring System: The recommendation provides \$100,000 cash funds from the Satellite Monitoring System Cash Fund to meet increasing operational expenses including maintenance, technological improvements, and possibly and expansion of the Satellite Monitoring System.

R-5 DRMS Reappropriation of Severance Tax Funds to E-Permitting System: The recommendation does not provide funding to support the development of an electronic permitting system for the Division of Reclamation, Mining, and Safety. **This recommendation will be discussed in a separate figure setting document.**

R-6 EDO Legal Services Adjustments: The recommendation provides \$123,600 cash funds to fund a permanent increase in legal services costs in the Division of Parks and Wildlife (DPW) and the Oil and Gas Conservation Commission (OGCC). The Department estimates that DPW is likely to see an increase of 1,800 legal services hours related to water and water rights, and the OGCC is already experiencing an increase of 800 legal services hours related to the overall increase in oil and gas activity in the state.

R-7 SLB Strategic Business Initiatives: The recommendation provides \$287,317 cash funds and 2.0 FTE to allow the State Land Board to hire additional staff to both expand existing and develop new sources of revenue for the State Land Board. **This recommendation will be discussed in a separate figure setting document.**

R-8/BA-8A DPW Merger Cost Savings and FTE Reduction: The recommendation reduces various Division of Parks and Wildlife appropriations to capture anticipated cost savings from

the merger of the Division of Parks and Outdoor Recreation and the Division of Wildlife in S.B. 11-208 (Merge Parks and Wildlife Divisions).

R-9 DPW Wildlife Management Refinance: The recommendation provides \$5,626,760 total funds in the Division of Parks and Wildlife to re-align appropriations in the Wildlife Sub-division.

R-10 EDO OIT Staffing Correction: The recommendation corrects two errors made during the FY 2010-11 Office of Information Technology (OIT) consolidation. The recommendation transfers one position from the OIT to the Water Resources Division and transfer one position from the Division of Parks and Wildlife to OIT.

R-11 EDO Adjustments to Leased Space: The recommendation provides \$58,844 total funds (including \$985 General Fund) to account for adjustments in various leased space contracts throughout the Department.

BA-1A: Hazardous Fuels Reduction Grant Program: The recommendation does not provide \$10,326,842 General Fund appropriation for transfer into the Healthy Forests and Vibrant Communities Fund in order to establish a Hazardous Fuels Reduction Grant Program aimed at limiting the potential risk for damage to property, infrastructure, and other high-valued assets as a result of wildfire.

BA-7A Air Fugitives Inventory: The recommendation provides \$12,000 cash funds from the Oil and Gas Conservation and Environmental Response Fund as part of a joint budget amendment with the Colorado Department of Public Health and Environment (CDPHE). The CDPHE component of the request includes a total of \$1,059,776 General Fund in FY 2013-14.

BA-8B Changes due to H.B. 12-1355 and H.B. 13-1057: The recommendation makes changes required by H.B. 12-1355 (Transfer Geological Survey to School of Mines) and H.B. 13-1057 (Retain Avalanche Information Center in the Department of Natural Resources) to transfer the Colorado Geological Survey to the School of Mines and Retain the Avalanche Information Center in the Department of Natural Resources.

NP-1 Employee Engagement Survey Adjustment: The recommendation for a Department of Personnel survey to gauge employees' attitudes towards their work, their work environment, overall satisfaction, and trends developing within the workforce is PENDING figure setting for the Department of Personnel.

NP-2 OIT Enterprise Asset Management: The recommendation for a Governor's Office of Information Technology (OIT) information technology asset management program and corresponding data system is PENDING figure setting for OIT.

NP-3 Capitol Complex Building Upgrade, Repair, and Replacement: The recommendation for a Department of Personnel building maintenance and upgrades in the State Capitol Complex is PENDING figure setting for the Department of Personnel.

Base Common Policy Adjustments: The recommendation includes adjustments to centrally appropriated line items totaling \$7,049,285 (including \$1,796,235 General Fund) for the following: health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary increases; shift differential; workers' compensation; payment to risk management and property funds; and capitol complex leased space. The recommendations for the workers' compensation; payment to risk management and property funds; and capitol complex leased space are PENDING figure setting for the Department of Personnel.

Base Indirect Costs Adjustments: The recommendation provides \$688,809 total funds for the Department's FY 2013-14 indirect cost assessment. For additional information on the Department's indirect cost assessment methodology see *Appendix A*.

Base Federal Funds Adjustments: The recommendation provides \$27,000 federal funds for grants in the Water Resources Divisions.

Base Fund Source Adjustments: The recommendation includes various funding source adjustments including for indirect cost recoveries.

Base Annualization S.B. 12S-002: The recommendation includes a reduction for S.B. 12S-002 CWCB Construction Fund Projects totaling \$28,350,857 CWCB Construction Fund.

Base Annualization H.B. 12-1349: The recommendation includes a reduction for H.B. 12-1349 Species Conservation Trust Fund totaling \$4,000,000 cash funds.

Base Annualization H.B. 12-1278: The recommendation includes a reduction for H.B. 12-1278 South Platte Groundwater Study Augmentation totaling \$910,900 CWCB Construction Fund.

Base Annualization Other Bills: The recommendation includes a reduction for H.B. 12-1246 Reverse Payday Shift for Bi-Weekly Employees totaling \$228,047 General Fund, a reduction of \$160,389 total funds (including a reduction of \$28,120 General Fund to annualize S.B. 13-098 the FY 2012-13 supplemental bill, and a reduction for H.B. 12-1330 Hunting Fishing License Suspension Hearing totaling \$21,169 cash funds.

Base IT Common Policy Adjustments: The recommendation for adjustments to information technology (IT) centrally appropriated line items totaling a reduction of \$257,232 (including a General Fund increase of \$353,383) for the following: purchase of services from computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communications services payments is PENDING figure setting for the Governor's Office of Information Technology.

Base Annualization FY 13 DI #1: The recommendation eliminates one-time funding appropriated to the OGCC through FY 2012-13 decision item #1 (OGCC Field and Technical Staff). **This recommendation will be discussed in a separate figure setting document.**

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Staff Recommendation ONLY for Divisions Covered in This Packet

The staff recommendations for ONLY the divisions covered in this packet are summarized in the table below.

Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	202,629,210	23,512,116	155,210,109	7,522,934	16,384,051	1,248.1
HB 12-1349 SCTF	4,000,000	0	4,000,000	0	0	0.0
SB 12S-002 CWCB Projects Bill	28,350,857	0	28,350,857	0	0	0.0
Other legislation	1,144,311	228,047	916,264	0	0	0.0
SB 13-098 NAT FY 13 Supplemental	<u>160,389</u>	<u>28,120</u>	<u>123,527</u>	<u>4,886</u>	<u>3,856</u>	<u>0.0</u>
TOTAL	\$236,284,767	\$23,768,283	\$188,600,757	\$7,527,820	\$16,387,907	1,248.1
FY 2013-14 Requested Appropriation:						
FY 2012-13 Appropriation	\$236,284,767	\$23,768,283	\$188,600,757	\$7,527,820	\$16,387,907	1,248.1
R-1 OGCC Field Inspectors	3,208	0	3,208	0	0	0.0
R-2 SLB Minerals Coordinator	4,604	0	4,604	0	0	0.0
R-3 WRD Line Item Consolidation	0	0	0	0	0	0.0
R-4 WRD Satellite Monit. System	100,000	0	100,000	0	0	0.0
R-6 EDO Legal Services	123,600	0	123,600	0	0	0.0
R-7 SLB Strat. Business Initiatives	9,208	0	9,208	0	0	0.0
R-8/BA-8A DPW Merger Cost Savings	(1,571,960)	0	(1,571,960)	0	0	(22.0)
R-9 DPW Wildlife Refinance	5,626,760	0	(3,000,000)	0	8,626,760	0.0
R-10 EDO OIT Staffing Correction	0	0	0	0	0	0.0
R-11 EDO Leased Space	58,844	985	54,286	0	3,573	0.0
BA-1A Hazardous Fuels Reduction	0	0	0	0	0	0.0
BA-8B HB 12-1355 and HB 13-1057	267,885	0	(9,734)	282,369	(4,750)	8.4
NP-1 EDO Employee Survey	12,673	2,173	9,846	362	292	0.0
NP-2 EDO OIT Ent. Asset Mgt.	36,526	4,687	30,450	774	615	0.0
NP-3 Capitol Comp. Buildings	72,887	15,869	36,765	12,465	7,788	0.0
Base Common Policy Adjustments	7,049,285	1,796,235	5,703,796	(571,723)	120,977	0.0
Base Indirect Costs Adjustments	539,414	0	510,469	0	28,945	0.0
Base Federal Funds Adjustments	27,000	0	0	0	27,000	0.0
Base Fund Source Adjustments	0	(1,579,123)	0	1,579,123	0	0.0
Base Annualization S.B. 12S-002	(28,350,857)	0	(28,350,857)	0	0	0.0
Base Annualization H.B. 12-1349	(4,000,000)	0	(4,000,000)	0	0	0.0
Base Annualization H.B. 12-1278	(910,900)	0	(910,900)	0	0	0.0
Base Annualization Other Bills	(409,605)	(256,167)	(144,696)	(4,886)	(3,856)	0.0
Base IT Common Policy Adjustments	<u>(257,232)</u>	<u>353,383</u>	<u>(246,577)</u>	<u>(303,039)</u>	<u>(60,999)</u>	<u>0.0</u>
TOTAL	\$214,716,107	\$24,106,325	\$156,952,265	\$8,523,265	\$25,134,252	1,234.5
Increase/(Decrease)	(\$21,568,660)	\$338,042	(\$31,648,492)	\$995,445	\$8,746,345	(13.6)
Percentage Change	(9.1%)	1.4%	(16.8%)	13.2%	53.4%	(1.1%)
FY 2013-14 Executive Request:	\$224,596,332	\$34,406,165	\$156,587,223	\$8,502,128	\$25,100,816	1,234.5
Request Above/(Below) Recommendation	\$9,880,225	\$10,299,840	(\$365,042)	(\$21,137)	(\$33,436)	0.0

(1) Executive Director's Office

Authority for the Department of Natural Resources and the Executive Director of the Department is discussed starting with Section 24-33-101, C.R.S. The Executive Director's Office is responsible for the overall administration of the Department. It provides leadership and support to the Department in meeting its strategic objectives. It provides leadership and functional support for general administrative duties to the divisions of the Department. The Executive Director's office is comprised of two sub-sections: (A) Administration and (B) Special Programs.

EXECUTIVE DIRECTOR'S OFFICE REQUEST AND RECOMMENDATION SUMMARY

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	43,043,403	4,858,273	27,767,266	7,231,347	3,186,517	41.8
HB 12-1349 SCTF	4,000,000	0	4,000,000	0	0	0.0
Other legislation	3,028	0	3,028	0	0	0.0
SB 13-098 NAT FY 13 Supplemental	<u>161,890</u>	<u>(47,737)</u>	<u>200,885</u>	<u>4,886</u>	<u>3,856</u>	<u>0.0</u>
TOTAL	\$47,208,321	\$4,810,536	\$31,971,179	\$7,236,233	\$3,190,373	41.8
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$47,208,321	\$4,810,536	\$31,971,179	\$7,236,233	\$3,190,373	41.8
R-1 OGCC Field Inspectors	3,208	0	3,208	0	0	0.0
R-2 SLB Minerals Coordinator	4,604	0	4,604	0	0	0.0
R-6 EDO Legal Services	123,600	0	123,600	0	0	0.0
R-7 SLB Strat. Business Initiatives	9,208	0	9,208	0	0	0.0
R-8/BA-8A DPW Merger Cost Savings	(65,186)	0	(65,186)	0	0	0.0
R-10 EDO OIT Staffing Correction	1,501	(75,857)	77,358	0	0	0.0
R-11 EDO Leased Space	58,844	985	54,286	0	3,573	0.0
BA-1A Hazardous Fuels Reduction	0	0	0	0	0	0.0
BA-8B HB 12-1355 and HB 13-1057	267,885	0	(9,734)	282,369	(4,750)	8.4
NP-1 EDO Employee Survey	12,673	2,173	9,846	362	292	0.0
NP-2 EDO OIT Ent. Asset Mgt.	36,526	4,687	30,450	774	615	0.0
NP-3 Capitol Comp. Buildings	72,887	15,869	36,765	12,465	7,788	0.0
Base Common Policy Adjustments	7,049,285	1,796,235	5,703,796	(571,723)	120,977	0.0
Base Fund Source Adjustments	0	(1,579,123)	0	1,579,123	0	0.0
Base Annualization H.B. 12-1349	(4,000,000)	0	(4,000,000)	0	0	0.0
Base Annualization Other Bills	(164,918)	47,737	(203,913)	(4,886)	(3,856)	0.0
Base IT Common Policy Adjustments	<u>(257,232)</u>	<u>353,383</u>	<u>(246,577)</u>	<u>(303,039)</u>	<u>(60,999)</u>	<u>0.0</u>
TOTAL	\$50,361,206	\$5,376,625	\$33,498,890	\$8,231,678	\$3,254,013	50.2
Increase/(Decrease)	\$3,152,885	\$566,089	\$1,527,711	\$995,445	\$63,640	8.4
Percentage Change	6.7%	11.8%	4.8%	13.8%	2.0%	20.1%
FY 2013-14 Executive Request:	\$60,241,431	\$15,676,465	\$33,133,848	\$8,210,541	\$3,220,577	50.2
Request Above/(Below) Recommendation	\$9,880,225	\$10,299,840	(\$365,042)	(\$21,137)	(\$33,436)	0.0

Issue Descriptions

Recommendations that are highlighted will be discussed as part of a separate briefing document.

R-1 OGCC Additional Field Inspectors, Environmental, and Engineering Staff: The Department requests a total increase of \$571,702 cash funds from the Oil and Gas Conservation and Environmental Response Fund (supported by a mil levy on oil and gas production) and 5.0 FTE to expand the Oil and Gas Conservation Commission's inspection, environmental, and engineering staff. The request responds to increasing agency workload resulting from both growth in oil and gas development statewide and the movement of development into increasing populated areas of the state. **The recommendations for line items affecting the EDO are PENDING Committee action for the request to be presented at a separate figure setting presentation.**

R-2 SLB Minerals Field Coordinator: The Department requests an increase of \$82,382 cash funds and 1.0 FTE to hire a field coordinator to improve management and oversight of oil and gas development on State Trust Lands. The request responds to an ongoing increase in oil and gas development and the associated workload for the State Land Board staff. The proposed position would assist in siting, approving, and monitoring development and reclamation activities, including compliance with stipulations established by the State Land Board. **The recommendations for line items affecting the EDO are PENDING Committee action for the request to be presented at a separate figure setting presentation.**

R-6 EDO Legal Services Adjustments: The recommendation provides \$123,600 cash funds to fund a permanent increase in legal services costs in the Division of Parks and Wildlife (DPW) and the Oil and Gas Conservation Commission (OGCC).

R-7 SLB Strategic Business Initiatives: The Department requests a total increase of \$399,881 cash funds and 2.0 FTE to allow the State Land Board to hire additional staff to both expand existing and develop new sources of revenue for the State Land Board. The request focuses on four potential sources of revenue growth from state trust lands: 1) ecosystem services payments; 2) recreation leases; 3) renewable energy; and 4) solid minerals. The request is designed to increase revenues, diversify revenue sources, and provide additional sustainable/ongoing revenues. **The recommendations for line items affecting the EDO are PENDING Committee action for the request to be presented at a separate figure setting presentation.**

R-8/BA-8A DPW Merger Cost Savings and FTE Reduction: The recommendation reduce various Division of Parks and Wildlife appropriations to capture anticipated cost savings from the merger of the Division of Parks and Outdoor Recreation and the Division of Wildlife in S.B. 11-208 (Merge Parks and Wildlife Divisions).

R-10 EDO OIT Staffing Correction: The recommendation corrects two errors made during the FY 2010-11 Office of Information Technology (OIT) consolidation.

R-11 EDO Adjustments to Leased Space: The recommendation provides \$58,844 total funds (including \$985 General Fund) to account for adjustments in various leased space contracts throughout the Department.

BA-1A: Hazardous Fuels Reduction Grant Program: The does not provide for a one-time \$10,326,842 General Fund appropriation into the Healthy Forests and Vibrant Communities Fund in order to establish a Hazardous Fuels Reduction Grant Program aimed at limiting the potential risk for damage to property, infrastructure, and other high-valued assets as a result of wildfire.

BA-8B Changes due to H.B. 12-1355 and H.B. 13-1057: The recommendation implements changes required by H.B. 12-1355 (Transfer Geological Survey to School of Mines) and H.B. 13-1057 (Retain Avalanche Information Center in the Department of Natural Resources).

NP-1 Employee Engagement Survey Adjustment: The recommendation includes an increase of \$12,673 total funds (including \$2,173 General Fund) for FY 2013-14 to fund the Department's share of a survey to gauge employees' attitudes towards their work, their work environment, overall satisfaction, and trends developing within the workforce. **The recommendation is PENDING figure setting for the Department of Personnel.**

NP-2 OIT Enterprise Asset Management: The recommendation includes an increase of \$36,526 total funds (including \$4,687 General Fund) to fund the Department's share of an executive branch information technology asset management program and corresponding data system. **The recommendation is PENDING figure setting for the Governor's Office of Information Technology.**

NP-3 Capitol Complex Building Upgrade, Repair, and Replacement: The recommendation includes an increase of \$72,887 total funds (including \$15,869 General Fund) for FY 2013-14 to fund the Department's share of building maintenance and upgrades in the State Capitol Complex. **The recommendation is PENDING figure setting for the Department of Personnel.**

Base Common Policy Adjustments: The recommendation includes adjustments to centrally appropriated line items totaling \$7,049,285 (including \$1,796,235 General Fund) for the following: health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary increases; shift differential; workers' compensation; payment to risk management and property funds; and capitol complex leased space. **The recommendations for the workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments and capitol complex leased space are PENDING figure setting for the Department of Personnel and Attorney General's Office.**

Base Fund Source Adjustments: The recommendation includes various funding source adjustments including for indirect cost recoveries.

Base Annualization H.B. 12-1349: The recommendation includes a reduction for H.B. 12-1349 Species Conservation Trust Fund totaling \$4,000,000 cash funds.

Base Annualization Other Bills: The recommendation includes a reduction of \$164,918 total funds (including an increase of \$47,737 General Fund) to annualize S.B. 13-098 the FY 2012-13 supplemental bill and a reduction for H.B. 12-1330 Hunting Fishing License Suspension Hearing totaling \$3,028 cash funds.

Base IT Common Policy Adjustments: The recommendation includes adjustments to information technology (IT) centrally appropriated line items totaling a reduction of \$257,232 (including a General Fund increase of \$353,383) for the following: purchase of services from computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communications services payments. **The recommendations for all these line items are PENDING figure setting for the Governor's Office of Information Technology.**

(A) ADMINISTRATION

Units within the Administration sub-program include:

Administration and Policy Development - Overall administration of the Department, the administration of the office and the function of policy development and program implementation related to various boards, commissions and divisions of the Department. Supports the Executive Director and divisions in their dealings with local, county, and state agencies, the Governor's Office, the General Assembly, federal land management agencies and Congress. Also, administers pass-through funding received by the Department for use by other divisions.

Human Resources - Responsible for the maintenance of records pertaining to all aspects of personnel management; ensures compliance with applicable laws and regulations governing the Department's workforce; oversees risk management activities including liability, property loss and safety issues; and assists with employee training.

Accounting and Purchasing - This program is responsible for directing, controlling, and managing the accounting/procurement operations and functions in the Department of Natural Resources. This section works closely with the Department's divisions, program directors, budget staff, information technology services, human resources staff, the State Controller, and State Purchasing to ensure efficient and effective management of all financial resources.

Budget - Formulates and executes the Department's annual budget process. As part of this process, the Budget section takes the lead in developing the Department's Strategic Plan, provides input on legislation, including the development of fiscal notes, analyzing a variety of revenue and expenditure proposals and legislative initiatives proposed by, or affecting, the Department. The unit also responds to requests for financial information and analysis. The unit supports the divisions on a variety of revenue, expenditure, and financial analysis issues that face

the Department. The budget unit is also responsible for providing budget execution and coordination for the programs in the Executive Director's Office. Finally, this section administers central appropriations and allocations for the divisions.

Pending Line Items. The Executive Director's Office has line items that provide services to the entire Department, including services that the Department of Natural Resources purchases from the Department of Personnel and Administration, the Governor's Office of Information Technology (OIT) and the Department of Law. The appropriation for many of these line items is determined through common policies approved by the JBC. **Because the JBC has not completed figure setting for all common policies, the following line items will be reflected as "Pending" in this figure setting packet: (1) Workers' Compensation, (2) Legal Services, (3) Purchase of Services from Computer Center, (4) Multiuse Network Payments, (5) Management and Administration of OIT, (6) Payments to Risk Management and Property Funds, (7) Vehicle Lease Payments, (8) Capitol Complex Leased Space, (9) Communication Services Payments, and (10) COFRS Modernization.**

LINE ITEM DETAIL – (1) (A) ADMINISTRATION

Personal Services

The Executive Director's Office provides leadership and support for many natural resource issues that cross divisional lines and affect many elements of society. The Executive Director's Office's 41.8 FTE are responsible for the overall administration of the Department. These FTE provide services and leadership to the Department as a whole in the areas of policy, accounting, human resources, purchasing, and budgeting. Funding is entirely through indirect cost recoveries collected from the divisions of the Department.

Request: The Department requests an appropriation of \$3,594,965 reappropriated funds (from indirect cost recoveries) and 41.8 FTE. The request includes a reduction of \$129,872 related to Request BA-8B.

➔ Request BA-8B H.B. 12-1355 and H.B. 13-1057

The Department submitted a budget amendment BA-8B "Changes due to HB 12-1355 and HB 13-1057" on **January 31, 2013**, to amend the Department's November 1, 2012, request to reflect the changes required by H.B. 12-1355 (Concerning the transfer of the Geological Survey to the Colorado School of Mines) and H.B. 13-1057 (Concerning the retention of the Avalanche Information Center within the Department of Natural Resources). The combined actions of these two bills require a reduction of \$4.5 million to the Department of Natural Resources, an increase of \$1.5 million to the Colorado School of Mines, and moving the Colorado Avalanche Information Center (CAIC) from the Geological Survey to the Executive Director's Office.

House Bill 12-1355 stipulated that if a Memorandum of Understanding (MOU) was signed between the Department of Natural Resources (DNR) and the Colorado School of Mines (CSM) by December 31, 2012, laying out the functions and objectives of the relocated Survey, the transfer of real and personal property, and the existing contracts of the Survey and DNR, the

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transfer would happen and all unexpended and unencumbered appropriations would transfer with the Survey to CSM on January 31, 2013. If no MOU was signed by that date, then the transfer would not happen.

In December of 2012, the Department of Natural Resources and the Colorado School of Mines entered into an MOU regarding the transfer of the Survey and the signed MOU was provided to Legislative Legal Services. Since this did occur, HB 12-1355 caused the transfer of all duties, as well as all unencumbered and unexpended monies, of the Colorado Geological Survey to the Colorado School of Mines.

During the 2013 legislative session the General Assembly introduced and passed H.B. 13-1057 (Concerning the retention of the Avalanche Information Center within the Department of Natural Resources). House Bill 13-1057 was signed into law by the Governor on January 31, 2013. The bill allows the CAIC to continue operating as part of the Department of Natural Resources. The bill maintained the staff and budget of the CAIC at its current level. The Department requests that the CAIC be appropriated as a sub-program within the Executive Director's Office with an appropriation of \$708,770 total funds and 8.4 FTE in a line item titled "COLORADO AVALANCHE INFORMATION CENTER" and \$35,514 total funds for a new line item titled "INDIRECT COST ASSESSMENT".

The table below shows the detailed impact of BA-8B as requested by the Department and recommended by JBC staff. As the table shows, the request impacts the Executive Director's Office and the Geological Survey.

Request BA-8B H.B. 12-1355 and H.B. 13-1057					
Summary of Request and JBC Staff Recommendation					
	Cash Funds	Reappropriated Funds	Federal Funds	TOTAL	FTE
Executive Director's Office					
Personal Services	0	(129,872)	0	(129,872)	0.0
Colorado Avalanche Information Center	280,750	409,833	18,187	708,770	8.4
Health, Life, and Dental	(135,214)	(1,433)	(12,077)	(148,724)	0.0
Short-term Disability	(2,608)	(125)	(217)	(2,950)	0.0
Indirect Cost Assessment	34,564	0	950	35,514	0.0
S.B. 04-257 AED	(52,149)	(2,382)	(5,043)	(59,574)	0.0
S.B. 06-235 SAED	(47,080)	(2,150)	(4,553)	(53,783)	0.0
Salary Survey	(22,556)	(979)	(1,954)	(25,489)	0.0
Merit Pay	(19,344)	(1,285)	(1,511)	(22,140)	0.0
Workers' Compensation	(119)	94	25	0	0.0
Operating Expenses	(3,971)	0	0	(3,971)	0.0
Legal Services	(1,391)	0	0	(1,391)	0.0
Services from Computer Center	(4,610)	4,144	466	0	0.0
Mgt. and Admin. of OIT	(345)	310	35	0	0.0
Risk Management and Property	(1,926)	1,730	196	0	0.0

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Request BA-8B H.B. 12-1355 and H.B. 13-1057					
Summary of Request and JBC Staff Recommendation					
	Cash Funds	Reappropriated Funds	Federal Funds	TOTAL	FTE
Vehicle Lease Payments	(13,737)	3,208	0	(10,529)	0.0
IT Asset Maintenance	(3,830)	0	0	(3,830)	0.0
Leased Space	(14,146)	0	0	(14,146)	0.0
Capitol Complex Leased Space	0	0	0	0	0.0
COFRS Modernization	<u>(2,022)</u>	<u>1,276</u>	<u>746</u>	<u>0</u>	<u>0.0</u>
TOTAL Executive Director's Office	(9,734)	282,369	(4,750)	267,885	8.4
Geological Survey					
Geological Hazards Program	(1,464,341)	(448,881)	(598,756)	(2,511,978)	(16.2)
Colorado Avalanche Information Center	(280,750)	(409,833)	(18,187)	(708,770)	(8.4)
Mineral Resources and Mapping	(1,117,949)	0	(322,311)	(1,440,260)	(9.5)
Indirect Cost Assessment	<u>(121,825)</u>	<u>0</u>	<u>(32,800)</u>	<u>(154,625)</u>	<u>0.0</u>
TOTAL Geological Survey	(2,984,865)	(858,714)	(972,054)	(4,815,633)	(34.1)
TOTAL Recommendation BA-8B	(2,994,599)	(576,345)	(976,804)	(4,547,748)	(25.7)

Recommendation: Staff recommends the Committee approve the Department request as laid out in the table above. This recommendation is despite the fact that the budget amendment was submitted late. Staff believes that the Long Bill will show more accurately the funding structure of the Department to account for H.B. 12-1355 and H.B. 13-1057. Staff recommends that the Committee approve the creation of a new Sub-Division within the Executive Director's Office titled "(B) SPECIAL PROGRAMS" to include two new line items titled "COLORADO AVALANCHE INFORMATION CENTER" and "INDIRECT COST ASSESSMENT". Staff further recommends that the existing line items in the EDO be placed under a new Sub-Division titled "(A) ADMINISTRATION".

Staff will refer back to the table above describing Request BA-8B when discussing the recommendation's impact on other line items in this document.

Staff recommends an appropriation of \$3,594,965 reappropriated funds (\$1,399,120 from statewide indirect cost recoveries and \$2,195,845 from departmental indirect cost recoveries) and 41.8 FTE for the Executive Director's Office (A) Administration, Personal Services line item. The request includes a reduction of \$129,872 related to Request BA-8B.

Executive Director's Office, Administration, Personal Services

Personal Services			
	Total Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	<u>3,724,837</u>	<u>3,724,837</u>	<u>41.8</u>
TOTAL	\$3,724,837	\$3,724,837	41.8

Personal Services			
	Total Funds	Reappropriated Funds	FTE
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$3,724,837	\$3,724,837	41.8
BA-8B HB 12-1355 and HB 13-1057	(129,872)	(129,872)	0.0
Base Fund Source Adjustments	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,594,965	\$3,594,965	41.8
Increase/(Decrease)	(\$129,872)	(\$129,872)	0.0
Percentage Change	(3.5%)	(3.5%)	0.0%
FY 2013-14 Executive Request:	\$3,594,965	\$3,594,965	41.8
Request Above/(Below) Recommendation	\$0	\$0	0.0

Health, Life, and Dental

This line item pays for the state contribution to health insurance, life insurance, and dental insurance. The Committee proved revised rates provided by the Department of Personnel after the Governor's November 1, 2012, request.

Request: The Department requests \$10,955,571 for FY 2013-14, including funding for several change requests. R-1, R-2, R-7, R-8/BA-8A, and BA-8B. R-1, R-2, and R-7 will be discussed in more detail as part of a separate figure setting presentation.

➔ Request R-8/BA-8A Colorado Parks and Wildlife Merger Cost Savings and FTE Reduction

On November 1, 2012, the Department submitted Request R-8 "Colorado Parks and Wildlife Merger Cost Savings and FTE Reduction". The Department stated at the time that it did not know the exact cost savings, so the request did not provide a dollar amount and had a "stand-in" reduction of 20.0 FTE. On **January 23, 2013**, the Department submitted BA-8A requesting a reduction of \$1,571,960 cash funds (Parks Cash Fund, Wildlife Cash Fund, and Parks Aquatic Nuisance Species Fund) and 22.0 FTE.

Background:

On June 6, 2011, Governor Hickenlooper signed into law Senate Bill 11-208 which merged the Division of Parks and Outdoor Recreation and the Division of Wildlife, into the Division of Parks and Wildlife. Since then, a great deal of work has been undertaken to plan and implement the merger. The primary goal of the merger is to create more efficient and effective services through economies of scale and use of shared resources.

The proposed cost savings and FTE reduction will result from the Division's focus on implementing three primary objectives:

- 1) Eliminating unnecessary duplication, including consolidation of work units performing similar functions with duplicate supervisory/managerial positions. Some examples include division

administration, region management, training, engineering, budget and accounting, law enforcement, and public information & education;

- 2) Identifying the means to achieve the greatest possible efficiencies in the delivery of products and services, including leveraging of existing knowledge and expertise across a broader range of activities, consolidating databases, standardizing and streamlining administrative processes, and;
- 3) Identifying strategies to enhance the effectiveness of programs and operations while fulfilling the new joint mission, including enhancing customer service.

The Division established 10 individual employee Work Groups that aligned with major, shared “core” functions including (1) Biologist/Scientists, (2) Capital Development, (3) Customer Service, (4) Field Operations, (5) Financial Services, (6) Invasive Species, (7) Property Evaluation, (8) Public Information/Branding/Marketing, (9) Volunteers/Education/Interpretation, and (10) Water/Real Estate. These work groups developed reports that were used by the Transition Team, along with employee and stakeholder input, to create a comprehensive transition plan. The Division’s transition plan was approved by the Parks and Wildlife Commission (Commission) in February, 2012. Since the Commission’s approval, the Division’s Leadership Team has worked to implement the merger by establishing Guiding Principles and Roles and Responsibilities documents as well as a desired future organizational structure.

During the 2012 legislative session, H.B. 12-1317 was signed into law. The bill replaces the Parks and Wildlife Board in the Department of Natural Resources with the Parks and Wildlife Commission. The Commission is comprised of 11 voting members to be appointed by the Governor and two non-voting ex officio members — the Executive Director of the Department of Natural Resources and the Commissioner of the Department of Agriculture.

The Commission must submit a five-year strategic plan by December 31, 2013, to address ongoing or new issues resulting after, and identify increased efficiencies and cost savings that may be realized from, the 2011 merger of the former division of wildlife and the former division of parks and outdoor recreation into the division of parks and wildlife. The strategic plan must address how the merger has affected policies, objectives, strategies, and estimated annual fiscal costs and savings associated with the duties and programs of the division. The Commission must also submit a report annually to the house committee on agriculture, livestock, and natural resources and the senate committee on agriculture, natural resources, and energy, or any successor committees, regarding the progress and status of the strategic plan.

The Department anticipates achieving additional savings, above and beyond those outlined in this budget amendment, in future years as the merger implementation continues and various cost saving initiatives and strategies are implemented. Some portion of these additional merger savings may be reinvested in programs to support state parks, outdoor recreation, and wildlife programs. The Department states that any savings will be clearly identified in the reporting to the General Assembly that is required in H.B. 12-1317. As warranted, the Department states that additional budgetary change requests may also be submitted to capture additional savings and/or reinvest funding in critical park and wildlife programs.

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The Department states that the requested cost savings and FTE reductions will not result in any employee being laid off. The Department states that it will achieve the savings through employee attrition.

Assumptions for Calculations:

The table below shows the Department calculation of the request. The total amount includes salaries for the positions including payments to the Public Employees Retirement Association (PERA), Medicare, Health, Life, and Dental, and Short-term Disability. The \$140,043 increase in the calculation is for payments for S.B. 04-257 Amortization Equalization Disbursement, S.B. 06-235 Supplemental Amortization Equalization Disbursement, Short-term Disability, and Health, Life, and Dental benefits for vacant FTE. Basically, the Department is stating that the subtotal savings of the reduction of 22.0 FTE include reductions for centrally appropriated items that the Department never requested for FY 2013-14 because there were several positions that were vacant at the time of the benefits calculation.

R-8/BA-8a FTE Savings Calculation		
	FTE	Total
ADMIN ASSISTANT II	(3.5)	(\$151,157)
BUDGET ANALYST II	(1.0)	(72,714)
CRIMINAL INVESTIGATOR III	(1.0)	(94,464)
ENGINEER-IN-TRAINING III	(1.0)	(76,929)
GENERAL PROFESSIONAL III	(1.0)	(59,433)
GENERAL PROFESSIONAL IV	(1.0)	(72,672)
GENERAL PROFESSIONAL V	(1.0)	(89,696)
GENERAL PROFESSIONAL VI	(1.0)	(104,744)
GENERAL PROFESSIONAL VII	(2.0)	(209,486)
MANAGEMENT	(1.0)	(176,715)
PARK MANAGER II	(3.0)	(156,265)
PARK MANAGER III	(1.0)	(59,433)
PROGRAM ASSISTANT I	(1.0)	(59,789)
PROFESSIONAL ENGINEER II	(1.0)	(96,914)
TECHNICIAN III	(0.5)	(28,621)
WILDLIFE MANAGER VI	<u>(2.0)</u>	<u>(182,071)</u>
Subtotal	(22.0)	(\$1,691,103)
Adjustment for vacant FTE		140,043
Operating and Telephone Expenses		<u>(20,900)</u>
TOTAL		(\$1,571,960)

The table below shows the detailed impact of BA-8A as requested by the Department and recommended by JBC staff. As the table shows, the request impacts line items in the Executive Director's Office and the Division of Parks and Wildlife.

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Request R-8/BA-8A Colorado Parks and Wildlife Merger Cost Savings and FTE Reduction			
Summary of Request and JBC Staff Recommendation			
	Cash Funds	TOTAL	FTE
Executive Director's Office			
Health, Life, and Dental	(38,856)	(38,856)	0.0
Short-term Disability	(643)	(643)	0.0
S.B. 04-257 AED	(13,500)	(13,500)	0.0
S.B. 06-235 SAED	<u>(12,187)</u>	<u>(12,187)</u>	<u>0.0</u>
TOTAL Executive Director's Office	(65,186)	(65,186)	0.0
Division of Parks and Wildlife			
State Park Operations	(556,242)	(556,242)	(10.2)
Wildlife Director's Office	(171,087)	(171,087)	(2.3)
Wildlife Management	(555,736)	(555,736)	(5.5)
Wildlife Technical Services	(87,556)	(87,556)	(1.0)
Parks S.B. 08-226 Aquatic Nuisance Species	<u>(136,153)</u>	<u>(136,153)</u>	<u>(3.0)</u>
TOTAL Division of Parks and Wildlife	(1,506,774)	(1,506,774)	(22.0)
Total Recommendation R-8/BA-8A	(1,571,960)	(1,571,960)	(22.0)

Staff recommendation on R-8/BA-8A: Staff recommends the Committee approve the Department request to capture savings as a result of the merger of the Division of Parks and Wildlife. This recommendation is despite the fact that the budget amendment was submitted late. Staff believes that the Long Bill will more accurately reflect the funding level anticipated to be spent by the Division of Parks and Wildlife.

The Committee approved the following amount and funding splits for the continuation HLD costs for the Department of Natural Resources:

JBC Approved Health, Life, and Dental Appropriation					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14					
Natural Resources	\$11,086,422	\$1,925,473	\$7,237,104	\$335,525	\$1,588,320

Recommendation: The staff recommendation is for **\$10,898,842 total funds** and is summarized in the table below.

Executive Director's Office, Administration, Health, Life, and Dental

	Health, Life, and Dental					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	<u>10,007,209</u>	<u>963,577</u>	<u>6,215,329</u>	<u>1,069,178</u>	<u>1,759,125</u>	<u>0.0</u>
TOTAL	\$10,007,209	\$963,577	\$6,215,329	\$1,069,178	\$1,759,125	0.0
FY 2013-14 Recommended Appropriation:						

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Health, Life, and Dental						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation	\$10,007,209	\$963,577	\$6,215,329	\$1,069,178	\$1,759,125	0.0
R-1 OGCC Field Inspectors	0	0	0	0	0	0.0
R-2 SLB Minerals Coordinator	0	0	0	0	0	0.0
R-7 SLB Strat. Business Initiatives	0	0	0	0	0	0.0
R-8/BA-8A DPW Merger Savings	(38,856)	0	(38,856)	0	0	0.0
BA-8B HB 12-1355 and HB 13-1057	(148,724)	0	(135,214)	(1,433)	(12,077)	0.0
Base Common Policy Adjustments	1,079,213	963,324	1,021,775	(735,081)	(170,805)	0.0
Base Fund Source Adjustments	<u>0</u>	<u>(1,106,831)</u>	<u>0</u>	<u>1,106,831</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$10,898,842	820,070	\$7,063,034	\$1,439,495	\$1,576,243	0.0
Increase/(Decrease)	\$891,633	(\$143,507)	\$847,705	\$370,317	(\$182,882)	0.0
Percentage Change	8.9%	(14.9%)	13.6%	34.6%	(10.4%)	0.0%
FY 2013-14 Executive Request:	\$10,955,571	\$818,991	\$7,127,800	\$1,435,785	\$1,572,995	0.0
Request Above/(Below) Recommendation	\$56,729	(\$1,079)	\$64,766	(\$3,710)	(\$3,248)	0.0

R-1 OGCC Field Inspectors: Staff does not recommend the \$22,105 cash funds portion of the Department Request R-1 for 5.0 FTE oil and gas inspectors, environmental, and engineering staff. *The Committee common policy is to fund additional benefits (Health, Life, and Dental; Short-term Disability; Amortization Equalization Disbursement; and Supplemental Amortization Equalization Disbursement), operating expenses (Leased Space), and Indirect Cost Assessment line items for 20.0 or more FTE.* The entirety of Request-1 will be discussed in a separate figure setting presentation.

R-2 SLB Minerals Coordinator: Staff does not recommend the \$4,421 cash funds portion of the Department Request R-2 for 1.0 FTE field coordinator to improve management and oversight of oil and gas development on State Trust Lands. The entirety of Request-2 will be discussed in a separate figure setting presentation.

R-7 SLB Strat. Business Initiatives: Staff does not recommend the \$8,842 cash funds portion of the Department Request R-7 for 2.0 FTE to allow the State Land Board to hire additional staff to both expand existing and develop new sources of revenue for the State Land Board. The entirety of Request-7 will be discussed in a separate figure setting presentation.

R-8/BA-8A DPW Merger Savings: Staff recommends a reduction of \$38,856 cash funds for Request R-8/BA-8A.

BA-8B HB 12-1355 and HB 13-1057: Staff recommends a reduction of \$148,724 total funds for Request BA-8B. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Base Common Policy Adjustments: Staff recommends an increase totaling \$1,079,213 total funds (including \$963,324 General Fund) pursuant to Committee common policy.

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Staff Working Document – Does Not Represent Committee Decision

Base Fund Source Adjustments: Staff recommends a reduction of \$1,106,831 General Fund and an increase of \$1,106,831 reappropriated funds from indirect cost recoveries pursuant to the Department indirect cost plan.

Short-term Disability

The Short-term Disability appropriation is used to provide partial payment of an employee's salary in the event that the employee becomes disabled and cannot perform his or her work duties. The benefit is not optional for employees who are eligible, but state temporary employees are not eligible for the benefit.

Request: The Department requests \$174,119 total funds including \$30,041 General Fund.

The Committee approved the following amount and funding splits for the continuation Short-term Disability costs for the Department of Natural Resources:

JBC Approved Short-term Disability Appropriation					
FY 2013-14	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Natural Resources	\$177,166	\$30,102	\$116,729	\$5,759	\$25,076

Recommendation: The staff recommendation is for \$174,073 total funds and is summarized in the table below.

Executive Director's Office, Administration, Short-term Disability

Short-term Disability						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	155,493	26,141	102,043	5,494	21,815	0.0
TOTAL	\$155,493	\$26,141	\$102,043	\$5,494	\$21,815	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$155,493	\$26,141	\$102,043	\$5,494	\$21,815	0.0
R-1 OGCC Field Inspectors	0	0	0	0	0	0.0
R-2 SLB Minerals Coordinator	0	0	0	0	0	0.0
R-7 SLB Strat. Business Initiatives	0	0	0	0	0	0.0
R-8/BA-8A DPW Merger Cost Savings	(643)	0	(643)	0	0	0.0
BA-8B HB 12-1355 and HB 13-1057	(2,950)	0	(2,608)	(125)	(217)	0.0
Base Common Policy Adjustments	22,173	3,961	14,686	265	3,261	0.0
TOTAL	\$174,073	\$30,102	\$113,478	\$5,634	\$24,859	0.0
Increase/(Decrease)	\$18,580	\$3,961	\$11,435	\$140	\$3,044	0.0
Percentage Change	11.9%	15.2%	11.2%	2.5%	14.0%	0.0%
FY 2013-14 Executive Request:	\$174,119	\$30,041	\$113,746	\$5,606	\$24,726	0.0
Request Above/(Below) Recommendation	\$46	(\$61)	\$268	(\$28)	(\$133)	0.0

R-1 OGCC Field Inspectors: Staff does not recommend the \$593 cash funds portion of the Department Request R-1 for 5.0 FTE oil and gas inspectors, environmental, and engineering staff. The entirety of Request-1 will be discussed in a separate figure setting presentation.

R-2 SLB Minerals Coordinator: Staff does not recommend the \$101 cash funds portion of the Department Request R-2 for 1.0 FTE field coordinator to improve management and oversight of oil and gas development on State Trust Lands. The entirety of Request-2 will be discussed in a separate figure setting presentation.

R-7 SLB Strat. Business Initiatives: Staff does not recommend the \$284 cash funds portion of the Department Request R-7 for 2.0 FTE to allow the State Land Board to hire additional staff to both expand existing and develop new sources of revenue for the State Land Board. The entirety of Request-7 will be discussed in a separate figure setting presentation.

R-8/BA-8A DPW Merger Savings: Staff recommends a reduction of \$643 cash funds for Request R-8/BA-8A. For additional information on Request R-8/BA-8A please refer to the discussion for the Executive Director's Office, Health, Life, and Dental line item above.

BA-8B HB 12-1355 and HB 13-1057: Staff recommends a reduction of \$2,950 total funds for Request BA-8B. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Base Common Policy Adjustments: Staff recommends an increase totaling \$22,173 total funds (including \$3,961 General Fund) pursuant to Committee common policy.

S.B. 04-257 Amortization Equalization Disbursement

Pursuant to S.B. 04-257 (Section 24-51-411, C.R.S.), beginning in January, 2006, the State contributes additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. During the 2005 legislative session, the General Assembly created a separate line item to provide funding in each calendar year. The AED rate increases 0.4 percent each year until it reaches the maximum contribution rate of 5.0 percent in 2017 (for the State and School Divisions).

Request: The Department requests \$3,713,370 total funds including \$576,485 General Fund.

The Committee approved the following amount and funding splits for the continuation S.B. 04-257 Amortization Equalization Disbursement costs for the Department of Natural Resources:

JBC Approved S.B. 04-257 Amortization Equalization Disbursement					
Appropriation					
FY 2013-14	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Natural Resources	\$3,778,116	\$572,359	\$2,573,933	\$109,686	\$522,138

Recommendation: The staff recommendation is for \$3,705,042 total funds and is summarized in the table below.

Executive Director's Office, Administration, S.B. 04-257 Amortization Equalization Disbursement

S.B. 04-257 Amortization Equalization Disbursement						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	<u>3,185,576</u>	<u>473,384</u>	<u>2,157,966</u>	<u>102,945</u>	<u>451,281</u>	<u>0.0</u>
TOTAL	\$3,185,576	\$473,384	\$2,157,966	\$102,945	\$451,281	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$3,185,576	\$473,384	\$2,157,966	\$102,945	\$451,281	0.0
R-1 OGCC Field Inspectors	0	0	0	0	0	0.0
R-2 SLB Minerals Coordinator	0	0	0	0	0	0.0
R-7 SLB Strat. Business Initiatives	0	0	0	0	0	0.0
R-8/BA-8A DPW Merger Cost Savings	(13,500)	0	(13,500)	0	0	0.0
BA-8B HB 12-1355 and HB 13-1057	(59,574)	0	(52,149)	(2,382)	(5,043)	0.0
Base Common Policy Adjustments	<u>592,540</u>	<u>98,975</u>	<u>415,967</u>	<u>6,741</u>	<u>70,857</u>	<u>0.0</u>
TOTAL	\$3,705,042	\$572,359	\$2,508,284	\$107,304	\$517,095	0.0
Increase/(Decrease)	\$519,466	\$98,975	\$350,318	\$4,359	\$65,814	0.0
Percentage Change	16.3%	20.9%	16.2%	4.2%	14.6%	0.0%
FY 2013-14 Executive Request:						
Request Above/(Below) Recommendation	\$8,328	\$4,126	\$7,253	(\$529)	(\$2,522)	0.0

R-1 OGCC Field Inspectors: Staff does not recommend the \$12,049 cash funds portion of the Department Request R-1 for 5.0 FTE oil and gas inspectors, environmental, and engineering staff. The entirety of Request-1 will be discussed in a separate figure setting presentation.

R-2 SLB Minerals Coordinator: Staff does not recommend the \$2,055 cash funds portion of the Department Request R-2 for 1.0 FTE field coordinator to improve management and oversight of oil and gas development on State Trust Lands. The entirety of Request-2 will be discussed in a separate figure setting presentation.

R-7 SLB Strat. Business Initiatives: Staff does not recommend the \$5,782 cash funds portion of the Department Request R-7 for 2.0 FTE to allow the State Land Board to hire additional staff to both expand existing and develop new sources of revenue for the State Land Board. The entirety of Request-7 will be discussed in a separate figure setting presentation.

R-8/BA-8A DPW Merger Savings: Staff recommends a reduction of \$13,500 cash funds for Request R-8/BA-8A. For additional information on Request R-8/BA-8A please refer to the discussion for the Executive Director's Office, Health, Life, and Dental line item above.

BA-8B HB 12-1355 and HB 13-1057: Staff recommends a reduction of \$59,574 total funds for Request BA-8B. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Base Common Policy Adjustments: Staff recommends an increase totaling \$592,540 total funds (including \$98,975 General Fund) pursuant to Committee common policy.

S.B. 06-235 Supplemental Amortization Equalization Disbursement

Similar to the AED line item, the Supplemental Amortization Equalization Disbursement (SAED) line item increases employees' contributions to the PERA Trust Fund to amortize the unfunded liability in the Trust Fund. During the 2006 legislative session the General Assembly passed S.B. 06-235, which added Supplemental AED payments. Per statute, the funding comes from money that would have otherwise gone to State employees as part of salary increases. The statutory contribution rate for SAED continues to increase 0.5 percent each calendar year until it reaches the maximum 5.0 percent in 2017 (for the State and School Divisions).

Request: The Department requests \$3,352,347 total funds including \$520,438 General Fund.

The Committee approved the following amount and funding splits for the continuation S.B. 06-235 Supplemental Amortization Equalization Disbursement costs for the Department of Natural Resources:

JBC Approved S.B. 06-235 Supplemental Amortization Equalization Disbursement Appropriation					
FY 2013-14	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Natural Resources	\$3,408,969	\$514,883	\$2,323,689	\$99,022	\$471,375

Recommendation: The staff recommendation is for \$3,342,999 total funds and is summarized in the table below.

Executive Director's Office, Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement

S.B. 06-235 Supplemental Amortization Equalization Disbursement						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	<u>2,735,659</u>	<u>404,868</u>	<u>1,854,503</u>	<u>88,469</u>	<u>387,819</u>	<u>0.0</u>
TOTAL	\$2,735,659	\$404,868	\$1,854,503	\$88,469	\$387,819	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$2,735,659	\$404,868	\$1,854,503	\$88,469	\$387,819	0.0
R-1 OGCC Field Inspectors	0	0	0	0	0	0.0
R-2 SLB Minerals Coordinator	0	0	0	0	0	0.0
R-7 SLB Strat. Business Initiatives	0	0	0	0	0	0.0
R-8/BA-8A DPW Merger Cost Savings	(12,187)	0	(12,187)	0	0	0.0
BA-8B HB 12-1355 and HB 13-1057	(53,783)	0	(47,080)	(2,150)	(4,553)	0.0
Base Common Policy Adjustments	<u>673,310</u>	<u>110,015</u>	<u>469,186</u>	<u>10,553</u>	<u>83,556</u>	<u>0.0</u>
TOTAL	\$3,342,999	\$514,883	\$2,264,422	\$96,872	\$466,822	0.0
Increase/(Decrease)	\$607,340	\$110,015	\$409,919	\$8,403	\$79,003	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

S.B. 06-235 Supplemental Amortization Equalization Disbursement						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Percentage Change	22.2%	27.2%	22.1%	9.5%	20.4%	0.0%
FY 2013-14 Executive Request:	\$3,352,347	\$520,438	\$2,270,970	\$96,394	\$464,545	0.0
Request Above/(Below) Recommendation	\$9,348	\$5,555	\$6,548	(\$478)	(\$2,277)	0.0

R-1 OGCC Field Inspectors: Staff does not recommend the \$10,878 cash funds portion of the Department Request R-1 for 5.0 FTE oil and gas inspectors, environmental, and engineering staff. The entirety of Request-1 will be discussed in a separate figure setting presentation.

R-2 SLB Minerals Coordinator: Staff does not recommend the \$1,855 cash funds portion of the Department Request R-2 for 1.0 FTE field coordinator to improve management and oversight of oil and gas development on State Trust Lands. The entirety of Request-2 will be discussed in a separate figure setting presentation.

R-7 SLB Strat. Business Initiatives: Staff does not recommend the \$5,220 cash funds portion of the Department Request R-7 for 2.0 FTE to allow the State Land Board to hire additional staff to both expand existing and develop new sources of revenue for the State Land Board. The entirety of Request-7 will be discussed in a separate figure setting presentation.

R-8/BA-8A DPW Merger Savings: Staff recommends a reduction of \$12,187 cash funds for Request R-8/BA-8A. For additional information on Request R-8/BA-8A please refer to the discussion for the Executive Director's Office, Health, Life, and Dental line item above.

BA-8B HB 12-1355 and HB 13-1057: Staff recommends a reduction of \$53,783 total funds for Request BA-8B. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Base Common Policy Adjustments: Staff recommends an increase totaling \$673,310 total funds (including \$110,015 General Fund) pursuant to Committee common policy.

Salary Survey

Pursuant to Section 24-50-104 (4) (c), C.R.S., DPA's total compensation report recommends salary adjustments each year, which are funded by this line item.

Request: The Department requests \$1,829,448 total funds including \$249,484 General Fund.

The Committee approved the following amount and funding splits for the Salary Survey costs for the Department of Natural Resources:

JBC Approved Salary Survey Appropriation					
FY 2013-14	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Natural Resources	\$2,393,462	\$308,185	\$1,685,899	\$67,230	\$332,148

JBC Staff Figure Setting – FY 2013-14
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Recommendation: The staff recommendation is for **\$2,367,973** total funds and is summarized in the table below.

Executive Director's Office, Administration, Salary Survey

Salary Survey						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2013-14 Recommended						
Appropriation:						
FY 2012-13 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
BA-8B HB 12-1355 and HB 13-1057	(25,489)	0	(22,556)	(979)	(1,954)	0.0
Base Common Policy Adjustments	<u>2,393,462</u>	<u>308,185</u>	<u>1,942,230</u>	<u>67,230</u>	<u>75,817</u>	<u>0.0</u>
TOTAL	\$2,367,973	\$308,185	\$1,919,674	\$66,251	\$73,863	0.0
Increase/(Decrease)	\$2,367,973	\$308,185	\$1,919,674	\$66,251	\$73,863	0.0
Percentage Change	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
FY 2013-14 Executive Request:	\$1,829,448	\$249,484	\$1,480,704	\$49,860	\$49,400	0.0
Request Above/(Below) Recommendation	(\$538,525)	(\$58,701)	(\$438,970)	(\$16,391)	(\$24,463)	0.0

BA-8B HB 12-1355 and HB 13-1057: Staff recommends a reduction of \$25,489 total funds for Request BA-8B. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Base Common Policy Adjustments: Staff recommends an increase totaling \$2,393,462 total funds (including \$308,185 General Fund) pursuant to Committee common policy. Staff is recommending a different funding split that is \$256,331 cash funds higher and \$256,331 federal funds lower due to the fact that Wildlife programs salary increases are funded entirely with cash funds since the Division is already allocating all of federal wildlife grant funds received.

Merit Pay

Employee performance-based pay is centrally appropriated and funded by this line item pursuant to Section 24-50-104 (1) (c) (I), C.R.S.

Request: The Department requests \$1,550,202 total funds including \$277,904 General Fund.

The Committee approved the following amount and funding splits for the Merit Pay costs for the Department of Natural Resources:

JBC Approved Merit Pay Appropriation					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14					
Natural Resources	\$1,549,189	\$254,746	\$1,025,018	\$54,729	\$214,696

Recommendation: The staff recommendation is for **\$1,527,049** total funds and is summarized in the table below.

Executive Director's Office, Administration, Merit Pay

	Merit Pay					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2013-14 Recommended						
Appropriation:						
FY 2012-13 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
BA-8B HB 12-1355 and HB 13-1057	(22,140)	0	(19,344)	(1,285)	(1,511)	0.0
Base Common Policy Adjustments	<u>1,549,189</u>	<u>254,746</u>	<u>1,193,018</u>	<u>54,729</u>	<u>46,696</u>	<u>0.0</u>
TOTAL	\$1,527,049	\$254,746	\$1,173,674	\$53,444	\$45,185	0.0
Increase/(Decrease)	\$1,527,049	\$254,746	\$1,173,674	\$53,444	\$45,185	0.0
Percentage Change	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
FY 2013-14 Executive Request:	\$1,550,202	\$277,904	\$1,174,463	\$53,443	\$44,392	0.0
Request Above/(Below) Recommendation	\$23,153	\$23,158	\$789	(\$1)	(\$793)	0.0

BA-8B HB 12-1355 and HB 13-1057: Staff recommends a reduction of \$22,140 total funds for Request BA-8B. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Base Common Policy Adjustments: Staff recommends an increase totaling \$1,527,049 total funds (including \$254,746 General Fund) pursuant to Committee common policy. Staff is recommending a different funding split that is \$168,000 cash funds higher and \$168,000 federal funds lower due to the fact that Wildlife programs merit pay increases are funded entirely with cash funds since the Division is already allocating all of federal wildlife grant funds received.

Shift Differential

The Shift Differential line item addresses the adjustment necessary to compensate employees for work performed outside of normal work schedules. These are second and third shift workers whose scheduled work hours fall outside of the regular Monday through Friday, 8:00 am to 5:00 pm work schedule. Typically, in order to sufficiently staff the second and third shifts, departments offer higher wages to employees willing to work non-traditional hours.

Request: The Department requests \$25,546 total funds.

The Committee has set a common policy for shift differential based on funding at 100.0 percent of the FY 2011-12 actual expenditures.

Recommendation: The staff recommendation is for \$31,242 total funds and is summarized in the table below.

Executive Director's Office, Administration, Shift Differential

Shift Differential				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	31,242	0	31,242	0.0
TOTAL	\$31,242	\$0	\$31,242	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$31,242	\$0	\$31,242	0.0
Base Common Policy Adjustments	0	0	0	0.0
TOTAL	\$31,242	\$0	\$31,242	0.0
Increase/(Decrease)	\$0		\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$25,546	\$0	\$25,546	0.0
Request Above/(Below) Recommendation	(\$5,696)	\$0	(\$5,696)	0.0

Base Common Policy Adjustments: Staff recommends funding this line item at FY 2011-12 actual expenditures pursuant to Committee common policy.

Workers' Compensation

This line item is used to pay the Department's share of the state's workers' compensation program administered by the Department of Personnel.

Request: The Department requests \$1,554,085 total funds including \$69,610 General Fund.

Recommendation: Staff recommendation is **PENDING** the approval of a common policy by the Committee related to Workers' Compensation.

Executive Director's Office, Administration, Workers' Compensation

Workers' Compensation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	1,607,888	62,350	1,497,832	8,348	39,358	0.0
TOTAL	\$1,607,888	\$62,350	\$1,497,832	\$8,348	\$39,358	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$1,607,888	\$62,350	\$1,497,832	\$8,348	\$39,358	0.0
BA-8B HB 12-1355 and HB 13-1057	0	0	(119)	94	25	0.0
Base Common Policy Adjustments	(53,803)	7,260	(38,748)	(8,348)	(13,967)	0.0
TOTAL	\$1,554,085	\$69,610	\$1,458,965	\$94	\$25,416	0.0

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Increase/(Decrease)	(\$53,803)	\$7,260	(\$38,867)	(\$8,254)	(\$13,942)	0.0
Percentage Change	(3.3%)	11.6%	(2.6%)	(98.9%)	(35.4%)	0.0%
FY 2013-14 Executive Request:	\$1,554,085	\$69,610	\$1,458,965	\$94	\$25,416	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

BA-8B HB 12-1355 and HB 13-1057: Staff recommends a funding source adjustment for Request BA-8B. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Base Common Policy Adjustments: Staff recommendation is **PENDING** the approval of a common policy by the Committee related to Workers' Compensation.

Operating Expenses

This line item includes both the Executive Director's Office operating costs and capital outlay. Capital outlay is typically spent on computers, furniture and other one-time purchases. A portion of this line is also annually held aside in a technology fund for IT projects that benefit all divisions within the Department. The total appropriation amount for this line changes very little from year to year. Staff notes that the majority of expenses are related to Division of Parks and Wildlife capital outlay related expenditures.

Request: The Department requests \$1,246,467 total funds.

Recommendation: Staff recommends the Committee approve the Department request for \$1,246,467 total funds.

Executive Director's Office, Administration, Operating Expenses

Operating Expenses					
	Total Funds	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	<u>1,250,438</u>	<u>1,060,977</u>	<u>184,124</u>	<u>5,337</u>	<u>0.0</u>
TOTAL	\$1,250,438	\$1,060,977	\$184,124	\$5,337	0.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$1,250,438	\$1,060,977	\$184,124	\$5,337	0.0
BA-8B HB 12-1355 and HB 13-1057	(3,971)	(3,971)	0	0	0.0
TOTAL	\$1,246,467	\$1,057,006	\$184,124	\$5,337	0.0
Increase/(Decrease)	(\$3,971)	(\$3,971)	\$0	\$0	0.0
Percentage Change	(0.3%)	(0.4%)	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$1,246,467	\$1,057,006	\$184,124	\$5,337	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

BA-8B HB 12-1355 and HB 13-1057: Staff recommends a reduction of \$3,971 cash funds for Request BA-8B. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Legal Services

Most of the divisions within the Department of Natural Resources rely heavily on legal services purchased from the Department of Law (Attorney General's Office).

Request: The Department requests \$3,630,132 total funds including \$850,052 General Fund. The request includes changes associated with a Department change request R-6 Increased Legal Services Adjustments.

The table below shows the total FY 2012-13 Legal Services appropriation split by unit and legal hours.

FY 2012-13 Appropriated Legal Services						
	Legal Hours	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Executive Director's Office	522	\$40,324	\$0	\$0	\$40,324	\$0
DRMS - Coal	763	58,941	0	12,389	0	46,552
DRMS - MSTP	85	6,566	0	6,566	0	0
DRMS - Inactive Mines	66	5,099	0	0	0	5,099
DRMS - Minerals	4,667	360,528	0	360,528	0	0
DRMS - Mined Land Board	1,014	78,332	0	78,332	0	0
Colorado Geological Survey	18	1,391	0	1,391	0	0
Oil & Gas Conservation Commission	2,033	157,034	0	157,034	0	0
State Land Board	7,008	541,368	0	541,368	0	0
Parks & Outdoor Recreation	3,901	301,368	0	301,368	0	0
Wildlife	7,885	609,133	0	609,133	0	0
Colorado Water Conservation Board	6,218	480,341	0	480,341	0	0
Division of Water Resources	<u>11,269</u>	<u>870,530</u>	<u>850,052</u>	<u>20,478</u>	<u>0</u>	<u>0</u>
Total:	45,449	\$3,510,955	\$850,052	\$2,568,928	\$40,324	\$51,651
Blended FY 2012-13 Legal Hourly Rate	\$77.25					

➔ Request R-6 Increased Legal Services Adjustments

The Department requests \$123,600 cash funds for an additional 1,600 hours of legal services expenses for FY 2013-14 and beyond associated with the Division of Parks and Wildlife (DPW) and the Oil and Gas Conservation Commission (OGCC).

Explanation of request:

The Department states that the Division of Parks and Wildlife (DPW) is likely to see an increase in legal issues related to water and water rights, and the Oil and Gas Conservation Commission (OGCC) is already experiencing increased legal workload related to the overall increase in oil and gas activity in the state. To address these two needs, DNR projects that a permanent increase

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of 1,800 hours of legal services for DPW and a permanent increase of 800 hours for the OGCC is necessary. This totals 2,600 hours in increased legal services support for these two divisions; however, DNR will be able to meet some of this need by reallocating legal support hours from the State Land Board and the Division of Reclamation Mining and Safety to DPW and the OGCC. DNR estimates that these internal adjustments can meet 1,000 hours of DPW and OGCC’s increased need. DNR is requesting increased departmental appropriations totaling 1,600 hours to meet the remaining need.

The table below shows the Department calculation of the request.

Calculation of FY 2013-14 Request-6 Increased Legal Services Adjustments						
	Legal Hours	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Division of Parks and Wildlife	1,800	\$139,050	\$0	\$139,050	\$0	\$0
Oil & Gas Conservation Commission	800	61,800	0	\$61,800	0	0
State Land Board	(700)	(54,075)	0	(\$54,075)	0	0
Reclamation Mining and Safety	(300)	(23,175)	0	(\$23,175)	0	0
Total R-6 Request	1,600	\$123,600	\$0	\$123,600	\$0	\$0
Blended FY 2012-13 Legal Hourly Rate	\$77.25					

Divisional legal needs can be somewhat volatile from year to year based on a number of things, including rule makings, lawsuits, emerging programmatic needs, and other factors, many of which are beyond the control of the divisions. It is quite common for the Department to adjust allocations during the course of the fiscal year, increasing one division’s spending authority due to need while simultaneously reducing another division’s allocation.

Division of Parks and Wildlife:

The Division and the Attorney General’s (AG) Office project that the Division’s legal costs will increase significantly over the next several years, primarily as a result of water issues. As the holder of a large portfolio of water rights, DPW is susceptible to a wide variety of legal actions stemming from water.

Currently, staff at the AG’s Office are working on 89 pending water matters. The AG is increasingly concerned about the number and complexity of water matters affecting DPW and about having sufficient staffing to handle the matters in a thorough and timely fashion. In the recent past, both DPW staff and AG staff have been allocating significant time and resources to resolving long-standing water rights matters, particularly where DPW is a water rights applicant in water court. However, there are a number of large historic matters that are likely to come to the fore in the very near future which will require further and expanded AG attention. These include the Chatfield reallocation project and its associated environmental assessment; the Catlin Canal change of use; the Hale Ditch change of use; work on the San Luis Valley Irrigation Rules and planning for associated augmentation and change of use; and securing adequate water supplies for the State Fish Unit. There are also a number of “routine” water rights applications which have been effectively put on hold pending more available AG staff time. The Department states that some of these matters cannot be put on hold much longer.

DPW, as the holder of a diverse portfolio of water rights, must also prevent other water users from “injuring” DPW’s water rights. While DPW has used great discretion to avoid “entering” cases where the possibility of injury is so remote as to be negligible, the number and complexity of others’ water rights applications, including plans for augmentation, is growing. Water rights schemes to address the growing demand for water supply are leading to highly complex cases with more sophisticated and more numerous parties to each case. New water court rules, which hold applicants (and opposers) to tighter deadlines for case resolution, are pushing staff resources to the limit.

The Department believes that adding support in the AG’s office equivalent to 1.0 FTE (1,800 billable hours) will help alleviate these issues and help the division better protect the state’s water rights.

The Department and Attorney General’s Office believe that 1.0 to 2.0 FTE will be needed by DPW over the coming years to address the water rights caseload and other DPW legal issues. As a result, it is possible that this request will not fully address the issues identified and that additional legal resources may be requested in the future.

Oil and Gas Conservation Commission:

The Oil and Gas Conservation Commission has seen an increase in its legal services needs that stems (either directly or indirectly) from the major increase in oil and gas activity in the state over the last several years. The number of active oil and gas wells in the state has been steadily increasing over recent years and the public has become increasingly concerned over hydraulic fracturing. Some issues are now spilling over to local governments. This has resulted in increasing local government involvement in the state’s regulatory process as well as increasing local regulation outside of the state’s regulatory framework. All of these developments have resulted in increasing legal work to support the OGCC.

To meet these increased needs, DNR has continually had to reallocate funding from other divisions to OGCC. Over the last four years, the Department has increased the OGCC’s baseline Legal Services allocation by an average of 823 hours per year.

OGCC Legal Services	Original Allocation (Dollars)	Mid-Year Increase (Dollars)	Mid-Year Increase, Hour Equivalent
FY 2008-09	\$152,528	\$65,000	857
FY 2009-10	\$153,097	\$78,551	1,041
FY 2010-11	\$149,014	\$52,145	711
FY 2011-12	<u>\$153,767</u>	<u>\$51,744</u>	<u>684</u>
Four-year Average	\$152,102	\$61,860	823

Recommendation Request-6: Staff recommends the Committee approve the Department's request for 1,600 additional legal services hours for FY 2013-14 and beyond.

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Recommendation: Staff recommends that the Committee approve the Department request for a total of 46,992 legal services hours. Staff notes that the FY 2013-14 blended legal services rate is still PENDING Committee common policy. As such, the numbers in the tables below are using the FY 2012-13 blended legal rate of \$77.25 / hour for information only, the dollar amounts do not represent staff recommendation for appropriations.

The table below shows the staff change recommendations by division for legal services hours for the Department of Natural Resources for FY 2013-14.

FY 2013-14 Legal Services Hours Change Explanation						
	Legal Hours	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 13 Appropriation	45,449	\$3,510,955	\$850,052	\$2,568,928	\$40,324	\$51,651
R-6 Division of Parks and Wildlife	1,800	139,050	0	139,050	0	0
R-6 Oil & Gas Conservation Commission	800	61,800	0	61,800	0	0
R-6 State Land Board	(700)	(54,075)	0	(54,075)	0	0
R-6 Reclamation Mining and Safety	(300)	(23,175)	0	(23,175)	0	0
BA-8B HB 12-1355 and HB 13-1057 (OGCC)	(18)	(1,391)	0	(1,391)	0	0
Base Annualization Other Bills (HB 12-1330)	(39)	(3,028)	0	(3,028)	0	0
Total:	46,992	\$3,630,136	\$850,052	\$2,688,109	\$40,324	\$51,651
Blended FY 2012-13 Legal Hourly Rate	\$77.25					

The table below shows the total staff recommendations by division for legal services hours for the Department of Natural Resources for FY 2013-14.

FY 2013-14 Recommended Legal Services Hours						
	Legal Hours	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Executive Director's Office	522	\$40,324	\$0	\$0	\$40,324	\$0
DRMS - Coal	763	58,941	0	12,389	0	46,552
DRMS - MSTP	85	6,566	0	6,566	0	0
DRMS - Inactive Mines	66	5,099	0	0	0	5,099
DRMS - Minerals	4,367	337,353	0	337,353	0	0
DRMS - Mined Land Board	1,014	78,332	0	78,332	0	0
Colorado Geological Survey	0	0	0	0	0	0
Oil & Gas Conservation Commission	2,833	218,834	0	218,834	0	0
State Land Board	6,308	487,293	0	487,293	0	0
Parks & Outdoor Recreation	3,901	301,368	0	301,368	0	0
Wildlife	9,646	745,155	0	745,155	0	0
Colorado Water Conservation Board	6,218	480,341	0	480,341	0	0
Division of Water Resources	11,269	870,530	850,052	20,478	0	0
Total FY 14 Recommendation	46,992	\$3,630,136	\$850,052	\$2,688,109	\$40,324	\$51,651

*JBC Staff Figure Setting – FY 2013-14
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FY 2013-14 Recommended Legal Services Hours						
	Legal Hours	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Blended FY 2012-13 Legal Hourly Rate	\$77.25					
Total FY 13 Appropriation	45,449	\$3,510,955	\$850,052	\$2,568,928	\$40,324	\$51,651
FY 14 Increase/(Decrease) from FY 13	1,543	\$119,181	\$0	\$119,181	\$0	\$0

Executive Director's Office, Administration, Legal Services

Legal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	3,507,923	850,052	2,565,896	40,324	51,651	0.0
Other legislation	<u>3,028</u>	<u>0</u>	<u>3,028</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,510,951	\$850,052	\$2,568,924	\$40,324	\$51,651	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$3,510,951	\$850,052	\$2,568,924	\$40,324	\$51,651	0.0
R-6 EDO Legal Services	123,600	0	123,600	0	0	0.0
BA-8B HB 12-1355 and HB 13-1057	(1,391)	0	(1,391)	0	0	0.0
Base Annualization Other Bills	<u>(3,028)</u>	<u>0</u>	<u>(3,028)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,630,132	\$850,052	\$2,688,105	\$40,324	\$51,651	0.0
Increase/(Decrease)	\$119,181		\$119,181	\$0	\$0	0.0
Percentage Change	3.4%	0.0%	4.6%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$3,630,132	\$850,052	\$2,688,105	\$40,324	\$51,651	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

R-6 EDO Legal Services: Staff recommends funding the Department request for 1,600 additional legal services hours. **Staff notes that the dollar amount is PENDING Committee action on the Attorney General blended legal services rate.**

BA-8B HB 12-1355 and HB 13-1057: Staff recommends a reduction totaling 18 legal services hours for Request BA-8B. **Staff notes that the dollar amount is PENDING Committee action on the Attorney General blended legal services rate.** For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Base Annualization Other Bills: Staff recommends a reduction totaling 39 legal services hours to annualize H.B. 12-1330 (Concerning the Creation of a Hearing Process To End a Suspension of Privileges to Attempt to Take Wildlife). **Staff notes that the dollar amount is PENDING Committee action on the Attorney General blended legal services rate**

Purchase of Services from Computer Center

This line item is used to reimburse the Governor's Office of Information Technology (OIT) for the Department's share of the state's computer system.

Request: The Department requests \$5,796,319 total funds, including \$343,308 General Fund. The request includes a net-zero request R-10 OIT Staffing Correction, a net-zero request BA-8B HB 12-1355 and HB 13-1057, an increase of \$36,526 for request NP-2 OIT Enterprise Asset Management, an increase of \$537,440 for the OIT common policy adjustment, and annualization of prior year legislation.

➔ Request R-10 OIT Staffing Correction

This FY 2013-14 net-zero funding request corrects two errors made during the original Governor’s Office of Information Technology (OIT) staff transfer by transferring one position from the OIT to the Water Resources Division (WRD) and one position from the Division of Parks and Wildlife (DPW) to OIT.

The Department states that when the Department transferred FTE resources to the OIT as part of the OIT consolidation in FY 2010-11, two existing FTE positions were incorrectly identified and subsequently handled incorrectly in the transfer.

The table below summarizes the request and staff recommendation.

Request R-10 OIT Staffing Correction				
Summary of Request and JBC Staff Recommendation				
	General Fund	Cash Funds	TOTAL	FTE
Executive Director's Office				
Purchase of Services from Computer Center	(\$75,857)	\$77,358	\$1,501	0.0
Division of Parks and Wildlife				
State Park Operations	0	(77,358)	(\$77,358)	(1.0)
Water Resources Division				
Water Administration	75,857	0	\$75,857	1.0
TOTAL Recommendation R-10	\$0	\$0	\$0	0.0

Background:

At the time of the OIT transfer in FY 2010-11, a position in the WRD was listed as an IT Professional II and was transferred to OIT. However, the list showing this position as an IT professional was in error. The position is actually a Physical Scientist Researcher III and is responsible for managing the National Hydrography Dataset in Colorado and providing Geographic Information Systems (GIS) analysis support for WRD related to consumptive use analysis, water rights, dam break inundation and interstate compacts. The position is currently fulfilling its job duties within WRD, but the Division does not have specific spending authority for the position and is effectively absorbing the position’s salary. Conversely, spending authority for this position’s salary was transferred to the Purchase of Services from Computer Center line item even though OIT is not currently paying the salary of the employee (hence

funding in the Purchase of Services from Computer Center line item is a bit higher than necessary to pay for OIT support).

Also, at the time of the OIT transfer in FY 2010-11, DPW had recently hired an IT Professional II. This position was not included in the overall OIT transfer due to the timing of the hire (i.e. very late in the transfer process.) As such, this position remains (organizationally and incorrectly) within the Division of Parks and Wildlife, as does the funding associated with the position.

➔ NP-2 OIT Enterprise Asset Management

The Governor's Office of Information Technology (OIT) has submitted a request titled "OIT Enterprise Management" to fund an inventory of all state Information Technology (IT) assets. The Department's share of the request includes an increase of \$36,526 total funds, including \$4,687 General Fund. **This request item will be addressed in a separate staff figure setting presentation for the Governor's Office of Information Technology.**

Staff Recommendation on NP-2: Staff recommendation is PENDING the approval of a Committee policy for this item.

Staff Recommendation for Purchase of Services from Computer Center line item: The final recommendation for this line item is PENDING Committee common policy. The table below summarizes the staff recommendations and pending items still awaiting action.

Executive Director's Office, Administration, Purchase of Services from Computer Center

Purchase of Services from Computer Center						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	5,220,852	394,170	3,573,812	1,042,475	210,395	0.0
SB 13-098 NAT FY 13 Supplemental	<u>1,501</u>	<u>(75,857)</u>	<u>77,358</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,222,353	\$318,313	\$3,651,170	\$1,042,475	\$210,395	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$5,222,353	\$318,313	\$3,651,170	\$1,042,475	\$210,395	0.0
R-10 EDO OIT Staffing Correction	1,501	(75,857)	77,358	0	0	0.0
BA-8B HB 12-1355 and HB 13-1057	0	0	(4,610)	4,144	466	0.0
NP-2 EDO OIT Ent. Asset Mgt.	36,526	4,687	30,450	774	615	0.0
Base Fund Source Adjustments	0	(472,292)	0	472,292	0	0.0
Base Annualization Other Bills	(1,501)	75,857	(77,358)	0	0	0.0
Base IT Common Policy Adjustments	<u>537,440</u>	<u>492,600</u>	<u>133,199</u>	<u>(36,300)</u>	<u>(52,059)</u>	<u>0.0</u>
TOTAL	\$5,796,319	\$343,308	\$3,810,209	\$1,483,385	\$159,417	0.0
Increase/(Decrease)	\$573,966	\$24,995	\$159,039	\$440,910	(\$50,978)	0.0
Percentage Change	11.0%	7.9%	4.4%	42.3%	(24.2%)	0.0%
FY 2013-14 Executive Request:	\$5,796,319	\$343,308	\$3,810,209	\$1,483,385	\$159,417	0.0

JBC Staff Figure Setting – FY 2013-14
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Purchase of Services from Computer Center						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

R-10 EDO OIT Staffing Correction: Staff recommends funding the Department request.

BA-8B HB 12-1355 and HB 13-1057: Staff recommends funding the Department request. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

NP-2 EDO OIT Enterprise Asset Management: Staff recommendation for this item is PENDING the approval of Committee policy.

Base Fund Source Adjustments: Staff recommendation for this item is PENDING the approval of Committee policy for various pending line-items. **Staff requests the Committee allow staff to adjust funding sources based on final appropriations and the interaction with the indirect cost assessment.**

Base IT Common Policy Adjustments: Staff recommendation for this item is PENDING the approval of Committee policy for this item.

Multiuse Network Payments

This line item reimburses OIT for the Department's share of the statewide multi-use network.

Request: The Department requests \$1,569,280 total funds including \$212,795 General Fund.

Recommendation: The staff recommendation for this line item is PENDING Committee common policy.

Executive Director's Office, Administration, Multiuse Network Payments

Multiuse Network Payments						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	<u>2,274,071</u>	<u>334,341</u>	<u>1,607,007</u>	<u>313,778</u>	<u>18,945</u>	<u>0.0</u>
TOTAL	\$2,274,071	\$334,341	\$1,607,007	\$313,778	\$18,945	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$2,274,071	\$334,341	\$1,607,007	\$313,778	\$18,945	0.0
Base IT Common Policy Adjustments	<u>(704,791)</u>	<u>(121,546)</u>	<u>(367,956)</u>	<u>(208,583)</u>	<u>(6,706)</u>	<u>0.0</u>
TOTAL	\$1,569,280	\$212,795	\$1,239,051	\$105,195	\$12,239	0.0
Increase/(Decrease)	(\$704,791)	(\$121,546)	(\$367,956)	(\$208,583)	(\$6,706)	0.0
Percentage Change	(31.0%)	(36.4%)	(22.9%)	(66.5%)	(35.4%)	0.0%
FY 2013-14 Executive Request:						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Base IT Common Policy Adjustments: Staff recommendation for this item is PENDING the approval of Committee policy.

Management and Administration of OIT

This line item is used to pay OIT for the Department's share of costs for the management and administration of Governor's Office of Information Technology (OIT).

Request: The Department requests \$183,268 total funds including \$23,516 General Fund.

Recommendation: The staff recommendation for this line item is PENDING Committee common policy.

Executive Director's Office, Administration, Management and Administration of OIT

Management and Administration of OIT						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	<u>290,806</u>	<u>41,187</u>	<u>182,263</u>	<u>62,038</u>	<u>5,318</u>	<u>0.0</u>
TOTAL	\$290,806	\$41,187	\$182,263	\$62,038	\$5,318	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$290,806	\$41,187	\$182,263	\$62,038	\$5,318	0.0
BA-8B HB 12-1355 and HB 13-1057	0	0	(345)	310	35	0.0
Base IT Common Policy Adjustments	<u>(107,538)</u>	<u>(17,671)</u>	<u>(29,477)</u>	<u>(58,156)</u>	<u>(2,234)</u>	<u>0.0</u>
TOTAL	\$183,268	\$23,516	\$152,441	\$4,192	\$3,119	0.0
Increase/(Decrease)	(\$107,538)	(\$17,671)	(\$29,822)	(\$57,846)	(\$2,199)	0.0
Percentage Change	(37.0%)	(42.9%)	(16.4%)	(93.2%)	(41.4%)	0.0%
FY 2013-14 Executive Request:						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

BA-8B HB 12-1355 and HB 13-1057: Staff recommends funding the Department request. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Base IT Common Policy Adjustments: Staff recommendation for this item is PENDING the approval of Committee policy.

Payment to Risk Management and Property Funds

Payment to Risk Management and Property Funds is an allocation appropriated to each department based on a shared statewide risk formula for two programs, the Liability Program and the Property Program. The state's liability program is used to pay liability claims and expenses brought against the state. The property program provides insurance coverage for state buildings and their contents. A portion of the Department's property insurance payment includes "Flood Zone A" insurance. The divisional shares are calculated based on three factors: a

division’s proportionate share of DNR’s total building and contents value, number of FTE (liability exposure), and Flood Zone A premiums.

Request: The Department requests \$836,750 total funds including \$88,257 General Fund. The request includes a net-zero request BA-8B HB 12-1355 and HB 13-1057, an increase of \$12,673 total funds for request NP-1 Employee Engagement Survey Adjustment, an increase of \$34,656 total funds for Base Common Policy Adjustments, and a decrease of \$160,389 total funds for the annualization of SB 13-98 (the DNR supplemental bill) to reduce funds provided in FY 13 to fix a funding balance shortfall in the Department of Personnel risk management program.

➔ NP-1 Employee Engagement Survey

The request includes an increase of \$12,673 total funds, including \$2,173 General Fund, to fund the Department’s share of a survey to gauge employees’ attitudes towards their work, their work environment, overall satisfaction, and trends developing within the workforce. This request item will be addressed in a separate staff figure setting presentation for the Department of Personnel. **Staff recommendation is PENDING Committee action on this item.**

Staff Recommendation for Payment to Risk Management and Property Funds line item: The final recommendation for this line item is **PENDING Committee common policy.** The table below summarizes the staff recommendations and pending items still awaiting action.

Executive Director's Office, Administration, Payment to Risk Management and Property Funds

Payment to Risk Management and Property Funds						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	789,421	63,094	707,268	10,986	8,073	0.0
SB 13-098 NAT FY 13 Supplemental	<u>160,389</u>	<u>28,120</u>	<u>123,527</u>	4,886	<u>3,856</u>	<u>0.0</u>
TOTAL	\$949,810	\$91,214	\$830,795	\$15,872	\$11,929	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$949,810	\$91,214	\$830,795	\$15,872	\$11,929	0.0
BA-8B HB 12-1355 and HB 13-1057	0	0	(1,926)	1,730	196	0.0
NP-1 EDO Employee Survey	12,673	2,173	9,846	362	292	0.0
Base Common Policy Adjustments	34,656	22,990	5,115	3,488	3,063	0.0
Base Annualization Other Bills	<u>(160,389)</u>	<u>(28,120)</u>	<u>(123,527)</u>	<u>(4,886)</u>	<u>(3,856)</u>	<u>0.0</u>
TOTAL	\$836,750	\$88,257	\$720,303	\$16,566	\$11,624	0.0
Increase/(Decrease)	(\$113,060)	(\$2,957)	(\$110,492)	\$694	(\$305)	0.0
Percentage Change	(11.9%)	(3.2%)	(13.3%)	4.4%	(2.6%)	0.0%
FY 2013-14 Executive Request:						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

BA-8B HB 12-1355 and HB 13-1057: Staff recommends funding the Department request. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

NP-1 EDO Employee Survey: Staff recommendation for this item is PENDING the approval of Committee policy.

Base Common Policy Adjustments: Staff recommendation for this item is PENDING the approval of Committee policy.

Base Annualization Other Bills: Staff recommends the Committee approve a decrease of \$160,389 total funds for the annualization of SB 13-98 (DNR Supplemental Bill) to reduce funds provided in FY 13 to fix a funding balance shortfall in the Department of Personnel risk management program.

Vehicle Lease Payments

Funds provided through this line enable the Department to lease vehicles from State Fleet Management in the Department of Personnel and Administration. Seven of the Department's 8 divisions lease vehicles to perform their work. The Department drives approximately 1,300 vehicles an average of 14 million miles each year in the course of business. The cost of each lease is based on the purchase price of the vehicle selected and the terms of the lease agreement.

Request: The Department requests \$3,564,819 total funds, including \$322,135 General Fund, for vehicle lease payments. The request includes \$3,208 cash funds for Request-1 for Oil and Gas Conservation Commission Field Inspectors, \$1,604 cash funds for Request-2 for State Land Board Minerals Coordinator, \$3,208 for Request-7 for State Land Board Strategic Business Initiatives, a reduction of \$10,529 for Request BA-8B HB 12-1335 and HB 13-1057, and an increase of \$463,845 total funds for a fleet vehicle replacement request submitted through the Department of Personnel. The Department requests replacing 152 vehicles.

The JBC Fleet Program common policy analyst instructions on how staff are to analyze each agency's vehicle replacement request includes the consideration of four criteria:

1. Mileage greater than 150,000 miles, which is their high mileage standard.
2. Maintenance costs over 100% of the average for the vehicle type.
3. Vehicles older than 1996.
4. Additional consideration given to vehicles considered as being used for "law enforcement" purposes and the vehicle is estimated to exceed 125,000 miles by the replacement period.

Analysis provided to JBC staff by the Department of Personnel JBC analyst shows that of the 152 vehicles requested for replacement, 67 vehicles meet criteria #1; 116 meet criteria #1, #2, and/or #3. Additionally, 29 vehicles did not meet criteria #1 through #3, however, met criteria #4.

Recommendation: (1) The recommendation for this line item is PENDING Committee common policy for the State Fleet Program managed by the Department of Personnel. (2)

Staff recommends the replacement of 145 vehicles in the Department. (3) Recommendations on R-1, R-2, and R-7 are PENDING because the requests will be discussed in more detail as part of a separate figure setting presentation. (4) Staff recommends the Committee fund the Department request for BA-8B HB 12-1355 and HB 13-1057.

Executive Director's Office, Administration, Vehicle Lease Payments

Vehicle Lease Payments						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	<u>3,103,483</u>	<u>331,892</u>	<u>2,720,167</u>	<u>0</u>	<u>51,424</u>	<u>0.0</u>
TOTAL	\$3,103,483	\$331,892	\$2,720,167	\$0	\$51,424	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$3,103,483	\$331,892	\$2,720,167	\$0	\$51,424	0.0
R-1 OGCC Field Inspectors	3,208	0	3,208	0	0	0.0
R-2 SLB Minerals Coordinator	1,604	0	1,604	0	0	0.0
R-7 SLB Strat. Business Initiatives	3,208	0	3,208	0	0	0.0
BA-8B HB 12-1355 and HB 13-1057	(10,529)	0	(13,737)	3,208	0	0.0
Base Common Policy Adjustments	<u>463,845</u>	<u>(9,757)</u>	<u>469,033</u>	<u>0</u>	<u>4,569</u>	<u>0.0</u>
TOTAL	\$3,564,819	\$322,135	\$3,183,483	\$3,208	\$55,993	0.0
Increase/(Decrease)	\$461,336	(\$9,757)	\$463,316	\$3,208	\$4,569	0.0
Percentage Change	14.9%	(2.9%)	17.0%	0.0%	8.9%	0.0%
FY 2013-14 Executive Request:						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

R-1 OGCC Field Inspectors: Staff recommendation for this item is PENDING the approval of Committee policy. The entirety of Request-1 will be discussed in a separate figure setting presentation.

R-2 SLB Minerals Coordinator: Staff recommendation for this item is PENDING the approval of Committee policy. The entirety of Request-2 will be discussed in a separate figure setting presentation.

R-7 SLB Strategic Business Initiatives: Staff recommendation for this item is PENDING the approval of Committee policy. The entirety of Request-7 will be discussed in a separate figure setting presentation.

BA-8B HB 12-1355 and HB 13-1057: Staff recommends funding the Department request. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Base Common Policy Adjustments: Staff recommendation for this item is PENDING the approval of Committee policy.

Information Technology Asset Maintenance

Funds provided through this line item enable the Department to maintain and replace its IT systems. Cost from this line cover such expenses such as annual IT support and maintenance agreements with hardware and software vendors, new and replacement equipment, computer supplies, data communication charges, utilities and other related costs.

Request: The Department requests \$263,159 total funds, including \$31,628 General Fund. The request includes a reduction for BA-8B.

Recommendation: Staff recommends the Committee approve the Department request.

Executive Director's Office, Administration, Information Technology Asset Maintenance

Information Technology Asset Maintenance						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	266,989	31,628	144,823	90,538	0	0.0
TOTAL	\$266,989	\$31,628	\$144,823	\$90,538	\$0	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$266,989	\$31,628	\$144,823	\$90,538	\$0	0.0
BA-8B HB 12-1355 and HB 13-1057	(3,830)	0	(3,830)	0	0	0.0
TOTAL	\$263,159	\$31,628	\$140,993	\$90,538	\$0	0.0
Increase/(Decrease)	(\$3,830)		(\$3,830)	\$0	\$0	0.0
Percentage Change	(1.4%)	0.0%	(2.6%)	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$263,159	\$31,628	\$140,993	\$90,538	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

BA-8B HB 12-1355 and HB 13-1057: Staff recommends funding the Department request. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Leased Space

The mission of the Department of Natural Resources encompasses the entire state, and for reasons of efficiency and proximity to specific project areas DNR's divisions operate a number of satellite offices throughout Colorado. In many instances, divisions are statutorily required to operate offices in specific counties and/or congressional districts statewide. In almost all cases leasing operational space for staff is more practicable than purchasing or constructing space.

Request: The Department requests \$1,399,580 total funds, including \$532,215 General Fund. The request includes change requests R-2, R-7, R-11, and BA-8B. Requests R-2 and R-7 will be discussed as part of a separate figure setting presentation.

➔ R-11 Adjustments to Leased Space

*JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision*

The Department requests an increase to its Leased Space line item for FY 2013-14 totaling \$58,844.

During FY 2013-14 the divisions of the Department will manage 48 separate leases for office space, associated storage space, or parking (41 spaces). Of this total, 47 leases will be in effect during FY 2012-13 and will continue through at least FY 2013-14.

The Department anticipates only one new lease for FY 2013-14: the rental of storage space in Denver by the Division of Reclamation, Mining and Safety, effective July 1, 2013, with an annual cost of \$3,636. The Department states that DRMS requires this new storage space for field equipment and publications that have exceeded the storage capacity of the division's current office space. The proposed space provides drive-in access for ease of loading heavier equipment directly to division vehicles.

With the exception of the DRMS lease, the requested increase of \$58,844 is comprised entirely of contractual cost escalators built into existing leases that were built into the Department's FY 2012-13 leased space appropriation.

The Department states that there are three additional leases that merit further discussion, in the name of transparency. The Water Resources Division (WRD) is statutorily required to maintain regional offices in water districts throughout Colorado. Leases for existing offices in (1) Grand Junction and (2) Montrose expired at the end of fiscal year 2011-12, and as such WRD entered into leases for new office space effective July 1, 2012 (i.e. FY 2012-13). In both cases, the cost of the new lease is lower than the cost of the previous leased space. Thus these could be considered "new" leases for FY 2012-13. In both cases, the "new" office space allows WRD to continue fulfilling its statutory obligations in a more cost-effective manner. (3) WRD will also enter into a new lease mid-way through FY 2012-13 to provide office space for an employee who had previously been provided with free space in a federal building in the Denver area. Beginning in FY 2012-13 this space will no longer be available. DWR anticipates signing a new lease in January 2013. Costs for this lease for FY 2012-13 can be absorbed within the department's existing Leased Space appropriations for FY 2012-13. Annualized costs in FY 2013-14 comprise part of the increase requested in this Funding Request.

Request R-11 Adjustments to Leased Space			
	FY 13 Total	FY 14 Total	FY 14- FY13
Division of Reclamation Mining and Safety	67,483	72,860	5,377
Colorado Geological Survey	14,145	14,145	0
Oil and Gas Conservation Commission	343,185	371,019	27,834
State Land Board	43,538	43,731	193
Division of Parks and Wildlife	167,876	173,149	5,273
Colorado Water Conservation Board	151,816	155,949	4,133
Water Resources Division	<u>557,839</u>	<u>573,873</u>	<u>16,034</u>
Total	\$1,345,882	\$1,404,726	\$58,844

*JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision*

Request R-11 Adjustments to Leased Space				
FY 2013-14 Request				
	General Fund	Cash Funds	Federal Funds	TOTAL
Division of Reclamation Mining and Safety	0	39,174	33,686	72,860
Colorado Geological Survey	0	14,145	0	14,145
Oil and Gas Conservation Commission	0	371,019	0	371,019
State Land Board	0	43,731	0	43,731
Division of Parks and Wildlife	0	173,149	0	173,149
Colorado Water Conservation Board	0	155,949	0	155,949
Water Resources Division	<u>532,215</u>	<u>41,658</u>	<u>0</u>	<u>573,873</u>
Total FY 14 Request	\$532,215	\$838,825	\$33,686	\$1,404,726
FY 13 Appropriation	\$531,230	\$784,539	\$30,113	\$1,345,882
FY 14 Over/(Below) FY 13	\$985	\$54,286	\$3,573	\$58,844

Staff recommendation: Staff recommends that the Committee approve the Department requests R-11 and BA-8B. Staff recommendation for the line item is PENDING Committee policy for R-2 and R-7, which will be discussed in a separate figure setting presentation.

Executive Director's Office, Administration, Leased Space

Leased Space					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	<u>1,345,882</u>	<u>531,230</u>	<u>784,539</u>	<u>30,113</u>	<u>0.0</u>
TOTAL	\$1,345,882	\$531,230	\$784,539	\$30,113	0.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$1,345,882	\$531,230	\$784,539	\$30,113	0.0
R-2 SLB Minerals Coordinator	3,000	0	3,000	0	0.0
R-7 SLB Strat. Business Initiatives	6,000	0	6,000	0	0.0
R-11 EDO Leased Space	58,844	985	54,286	3,573	0.0
BA-8B HB 12-1355 and HB 13-1057	<u>(14,146)</u>	<u>0</u>	<u>(14,146)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,399,580	\$532,215	\$833,679	\$33,686	0.0
Increase/(Decrease)	\$53,698	\$985	\$49,140	\$3,573	0.0
Percentage Change	4.0%	0.2%	6.3%	11.9%	0.0%
FY 2013-14 Executive Request:	\$1,399,580	\$532,215	\$833,679	\$33,686	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

R-2 SLB Minerals Coordinator: Staff recommendation for this item is PENDING the approval of Committee policy. Request-2 will be discussed in a separate figure setting presentation.

R-7 SLB Strategic Business Initiatives: Staff recommendation for this item is PENDING the approval of Committee policy. Request-7 will be discussed in a separate figure setting presentation.

R-11 EDO Leased Space: Staff recommends the Committee fund the Department request.

BA-8B HB 12-1355 and HB 13-1057: Staff recommends funding the Department request. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Capitol Complex Leased Space

This line item is used to pay the Department of Personnel and Administration for the costs of maintaining state buildings that are part of the capitol complex. Capitol Complex Leased Space is appropriated based on usable square footage utilized by each state department. Currently, for the Department of Natural Resources, this includes 79,240 square feet of space at 1313 Sherman Street (Centennial Building). Square footage, by division, is shown in the table below.

Capitol Complex Leased Space	
Executive Director's office	13,552
Division of Reclamation, Mining, and Safety	15,150
Colorado Geological Survey	5,340
Division of Parks and Wildlife	22,768
Colorado Water Conservation Board	5,178
Water Resources Division	<u>17,252</u>
Total Square Feet	79,240

Request: The Department requests \$1,232,959 total funds, including \$268,438 General Fund.

Recommendation: The staff recommendation for this line item is PENDING Committee common policy action as well as Committee action on NP-3 Capitol Complex Building Upgrade, Repair, and Replacement submitted by the Department of Personnel.

Executive Director's Office, Administration, Capitol Complex Leased Space

Capitol Complex Leased Space						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	<u>865,372</u>	<u>216,033</u>	<u>373,616</u>	<u>169,701</u>	<u>106,022</u>	<u>0.0</u>
TOTAL	\$865,372	\$216,033	\$373,616	\$169,701	\$106,022	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$865,372	\$216,033	\$373,616	\$169,701	\$106,022	0.0
BA-8B HB 12-1355 and HB 13-1057	0	0	0	0	0	0.0
NP-3 Capitol Comp. Buildings	72,887	15,869	36,765	12,465	7,788	0.0
Base Common Policy Adjustments	<u>294,700</u>	<u>36,536</u>	<u>211,534</u>	<u>28,700</u>	<u>17,930</u>	<u>0.0</u>

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Capitol Complex Leased Space						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$1,232,959	\$268,438	\$621,915	\$210,866	\$131,740	0.0
Increase/(Decrease)	\$367,587	\$52,405	\$248,299	\$41,165	\$25,718	0.0
Percentage Change	42.5%	24.3%	66.5%	24.3%	24.3%	0.0%
FY 2013-14 Executive Request:	\$1,232,959	\$268,438	\$621,915	\$210,866	\$131,740	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

BA-8B HB 12-1355 and HB 13-1057: Staff recommends funding the Department request. For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

NP-3 Capitol Complex Buildings: The staff recommendation for this change request is PENDING Committee action on NP-3 Capitol Complex Building Upgrade, Repair, and Replacement submitted by the Department of Personnel.

Base Common Policy Adjustments: Staff recommendation for this item is PENDING the approval of Committee policy.

Integrated Resource Services

This line item was first appropriated to the Department in FY 2012-13 as a result of a change request submitted by the Department.

The Department of Natural Resources deals with a diverse range of natural resource management issues and employs subject matter experts in a variety of scientific and technical fields. Despite this diversity, however, natural resource management often involves fundamentally interconnected issues. Because of statutory restrictions, many DNR divisions do not currently have the authority to accept and expend gifts, grants, and donations. Therefore, assistance from one DNR agency to another must be absorbed within the assisting agency's base budget and the work must be done in addition to, or in place of, the assisting agency's existing work. Often, an agency is unable to simply absorb the request for assistance and the requesting agency is forced to contract with private vendors at a much higher cost. This allocation mechanism will be used to facilitate payments for services between DNR agencies. The line item is funded entirely with reappropriated funds from other division within the Department. Funds requested for FY 2013-14 will remain unallocated in the DNR Executive Director's Office until such time as they are requested by a division. Once a division has identified a need, and the assisting agency has agreed that they have the resources to help and are willing to do so, the Executive Director's Office would then allocate the necessary spending authority to the assisting agency.

As part of approving this line item, the Committee included a request for information (RFI) asking the Department to report on the number of projects funded through the line item and the cost of each project. In response to the RFI, the Department stated that for FY 2012-13, the State Board of Land Commissioners is considering one or more potential small contracts with its sister divisions in order to better understand and manage its portfolio of water rights. No expenditures had been made at the time of submittal of the RFI.

Request: The Department requests continuation funding of \$250,000 various reappropriated funds.

Recommendation: Staff recommends the Department request as well as continuation of the RFI from FY 2012-13.

Department of Natural Resources, Executive Director's Office, Integrated Resource Services -- The Department of Natural Resources is requested to provide a report, by November 1, 2013, listing the number of projects funded through the Integrated Resource Services line item and the cost of each project. The report should provide information for the most recent year actual expenditures, the current year estimated expenditures, and the request year estimated expenditures.

Communication Services Payments

This line item is the DNR contribution to pay for the Governor's Office of Information Technology's (OIT) role in planning, coordinating, and integrating the public safety networks for the Departments of Public Safety, Transportation, Corrections, and Natural Resources. Local agencies also use this network. These networks operate through land-based, mobile, and microwave technology. The beneficiary of these services within the Department is the Division of Parks and Wildlife.

Request: The Department requests \$1,056,951 various cash funds.

Recommendation: The staff recommendation is **PENDING** Committee common policy for this line item.

Executive Director's Office, Administration, Communication Services Payments

Communication Services Payments			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	<u>1,039,294</u>	<u>1,039,294</u>	<u>0.0</u>
TOTAL	\$1,039,294	\$1,039,294	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$1,039,294	\$1,039,294	0.0
Base IT Common Policy Adjustments	<u>17,657</u>	<u>17,657</u>	<u>0.0</u>
TOTAL	\$1,056,951	\$1,056,951	0.0
Increase/(Decrease)	\$17,657	\$17,657	0.0
Percentage Change	1.7%	1.7%	0.0%
FY 2013-14 Executive Request:	\$1,056,951	\$1,056,951	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

COFRS Modernization

This line item funds a project to replace the statewide accounting system (COFRS) used by the State Controller to record all state revenues and expenditures.

Request: The Department requests a continuation appropriation of \$1,390,968, including \$134,326 General Fund. The request includes funding for BA-8B.

Recommendation: Staff's recommendation is **PENDING Committee common policy. Staff recommends funding the Department request for BA-8B HB 12-1355 and HB 13-1057.** For additional information on Request BA-8B please refer to the discussion for the Executive Director's Office, Personal Services line item above.

Executive Director's Office, Administration, COFRS Modernization

COFRS Modernization						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	1,390,968	134,326	1,148,689	68,112	39,841	0.0
TOTAL	\$1,390,968	\$134,326	\$1,148,689	\$68,112	\$39,841	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$1,390,968	\$134,326	\$1,148,689	\$68,112	\$39,841	0.0
BA-8B HB 12-1355 and HB 13-1057	0	0	(2,022)	1,276	746	0.0
TOTAL	\$1,390,968	\$134,326	\$1,146,667	\$69,388	\$40,587	0.0
Increase/(Decrease)	\$0		(\$2,022)	\$1,276	\$746	0.0
Percentage Change	0.0%	0.0%	(0.2%)	1.9%	1.9%	0.0%
FY 2013-14 Executive Request:	\$1,390,968	\$134,326	\$1,146,667	\$69,388	\$40,587	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Species Conservation Trust Fund

The appropriation for this line item happens in a special bill every year; the appropriation in the bill is reflected in this line item. **The Committee does not need to take action.**

Species Conservation Trust Fund Project Expenditures Under HB 12-1349	
Project	FY 2012-13
Upper Colorado River	500,000
Native Fish Conservation- Capital Projects	1,000,000
Native Terrestrial Wildlife Conservation	715,000
Native Aquatic Wildlife Conservation	720,000
Wildlife Disease Mngt. Landscape-Level Change	565,000
Colorado Natural Areas Program	500,000
Total Expenditures	4,000,000

Executive Director's Office, Administration, Species Conservation Trust Fund

Species Conservation Trust Fund		
	Total Funds	Cash Funds
FY 2012-13 Appropriation:		
HB 12-1335 (Long Bill)	0	0
HB 12-1349 SCTF	<u>4,000,000</u>	<u>4,000,000</u>
TOTAL	\$4,000,000	\$4,000,000
FY 2013-14 Recommended Appropriation:		
FY 2012-13 Appropriation	\$4,000,000	\$4,000,000
Base Annualization H.B. 12-1349	<u>(4,000,000)</u>	<u>(4,000,000)</u>
TOTAL	\$0	\$0
Increase/(Decrease)	(\$4,000,000)	(\$4,000,000)
Percentage Change	(100.0%)	(100.0%)
FY 2013-14 Executive Request:	\$0	\$0
Request Above/(Below) Recommendation	\$0	\$0

(B) SPECIAL PROGRAMS

This sub-division is being created this year for the first time due to the transfer of the Colorado Avalanche Information Center back to DNR through H.B. 13-1057.

Colorado Avalanche Information Center

The Colorado Avalanche Information Center (CAIC) promotes avalanche safety through avalanche forecasting services and education to ski patrols, back country recreation users, industry, and travelers. The program is funded from the Operational Account of the Severance Tax Trust Fund, cash funds from training and publication fees, donations, federal grants, and a transfer from the Colorado Department of Transportation to provide assistance in monitoring and mitigating avalanche dangers along State Highways.

➔ Request BA-8B H.B. 12-1355 and H.B. 13-1057

This request was discussed in detail in the Executive Director's Office (EDO), Personal Services line item above. Staff recommended the Department's request. Essentially this line item is being created in the EDO to house the Avalanche Information Center per H.B. 13-1057 (Concerning the retention of the Avalanche Information Center within the Department of Natural Resources). In addition, the CAIC will continue to be assessed an indirect cost assessment by the EDO, as such, this sub-division will include an indirect cost assessment line item.

Request: The Department requests continuation funding for this line item totaling \$708,770 and 8.4 FTE.

Recommendation: Staff recommends the Committee approve the Department request. The cash fund sources include \$157,523 from the Operational Account of the Severance Tax Trust Fund, \$121,227 from grants, training and material fees deposited in the Colorado Avalanche Information Center Fund, and \$2,000 from the Snowmobile Recreation Fund. The reappropriated funds are from the Department of Transportation.

Executive Director's Office, Special Programs, Colorado Avalanche Information Center

Colorado Avalanche Information Center					
	Total Funds	Cash Funds	Reappropriated Funds	Federal Funds	FTE
BA-8B HB 12-1355 and HB 13-1057	708,770	280,750	409,833	18,187	8.4
TOTAL	\$708,770	\$280,750	\$409,833	\$18,187	8.4
Increase/(Decrease)	\$708,770	\$280,750	\$409,833	\$18,187	8.4
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$708,770	\$280,750	\$409,833	\$18,187	8.4
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Indirect Cost Assessment

This line item is a new line item for FY 2013-14. It is being created to account for the indirect cost share of the Avalanche Information Center.

Request: The Department requests \$35,514 total funds, including \$34,564 cash funds from the Operational Account of the Severance Tax Trust Fund, and \$950 federal funds.

Recommendation: Staff recommends the Committee approve the Department request. This request was discussed in detail in the Executive Director's Office (EDO), Personal Services line item above.

Executive Director's Office, Special Programs, Indirect Cost Assessment

Indirect Cost Assessment			
	Total Funds	Cash Funds	Federal Funds
BA-8B HB 12-1355 and HB 13-1057	35,514	34,564	950
TOTAL	\$35,514	\$34,564	\$950
Increase/(Decrease)	\$35,514	\$34,564	\$950
Percentage Change	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$35,514	\$34,564	\$950
Request Above/(Below) Recommendation	\$0	\$0	\$0

Transfer to the Healthy Forests and Vibrant Communities Fund

This line item is a new line item requested for FY 2013-14.

➔ Request BA-1A Hazardous Fuels Reduction Grant Program

Request: The Department of Natural Resources submitted a budget amendment on January 25, 2013, requesting a one-time, \$10,326,842 General Fund appropriation into the Healthy Forests and Vibrant Communities fund in order to establish a Hazardous Fuels Reduction Grant Program aimed at limiting the potential risk for damage to property, infrastructure, and other high-valued assets as a result of wildfire.

Through this request the Governor is attempting to invest in measures that temper the probability of fires spreading uncontrollably into urban wildland interface zones. The Department states that the reason for this request is the upgraded December 2012 General Fund revenue forecast, which has given the State an opportunity to make an investment in this area.

Recommendation: Staff does not recommend the Department request. The reasons for not recommending the Department request are listed in the "Staff analysis" section below.

If the Committee wishes to fund such an initiative, staff believes that an appropriation should be made to the State Forest Service through the Colorado State University budget in a line item titled: "Healthy Forests and Vibrant Communities Fund Grant".

Background:

The Department states that the 2012 proliferation of fires that burned in more populous areas demonstrated the dangers that occur as urban areas expand into wooded regions of the State. The Department states that for years, Colorado's municipal, county, and state governments have recognized the risks inherent in these wildland-urban interface communities, and have taken steps to minimize the risks to their homeowners. The State, while providing aid and guidance in risk mitigation to these communities, has never made a large-scale investment in helping to assist actions that limit the probability of wildfires spreading into populated areas.

The Department's main premise with this request is that an up-front investment to help minimize the risks faced by local communities can ultimately lead to a reduction in the potential costs associated with fighting wildfires that spread uncontrollably into them.

Proposed solution:

The Department proposes an \$10,326,842 Colorado Hazardous Fuels Reduction Grant Program, through which dollars will be leveraged with matching funds from applicants. Focusing on the Wildland-Urban interface, the applicants will need to demonstrate that the lands they will treat have been identified as being at high risk for wildfire that has the potential to damage property infrastructure and other high valued assets and watersheds.

Department anticipated outcomes:

The Department states that eligibility for this matching grant program will be limited to:

- Communities within or adjacent to the Wildland-Urban Interface;

- Utilities with infrastructure and/or land in forested areas;
- State agencies with lands at high risk for fire (such as the Colorado State Forest Service, the State Land Board, the Division of Parks and Wildlife, and others); and
- Non-profit groups working in partnership with federal agencies on fuels treatment projects on public lands.

The Department states that it will use the wildland/urban interface (or "red zone") map that identifies areas of high wildfire risk to people and property around the state, priority for grant awards will be driven primarily by geography, but also by the values of protecting homes, communities, utilities, and watersheds.

The Department states that all grants issued through this program will come with a required 100% match. In this way, \$10.3 million in General Fund will become at least \$20.6 million worth of work on the ground. The match may be in the form of dollars or in-kind support for the project. Ideally, the money requested for the program will be spent as quickly as possible in order to create a measurable impact in wildland-urban interface communities. It is likely, however, that full expenditure of this \$10,326,842 investment will take between 2 and 4 years.

The Department also envisions that this grant program may help address the unmet need for small capacity building grants for collaborative forestry groups. For example, neighborhoods that want to set up slash programs to encourage homeowners to reduce combustible fuels around their properties may require start-up money, and this grant program could serve as a vehicle to enable them.

Grant program administration:

To administer this grant program, the Department expects that the Governor will issue a proclamation or executive order directing DNR to establish parameters for accepting, reviewing, and awarding grants. Though the details of how the Department will administer this program remain under development, DNR anticipates the creation of a committee to identify clear eligibility criteria for applicants, issue a notice of funds available through the program to local communities, develop a process for assessing the merits of grant applications, and review and approve applications received. The Department will also provide post -award monitoring in order to ensure the proper use of funds and demonstrate the results of the program.

Staff analysis:

The main reason that staff is not recommending this request is due to the fact that the State Forest Service has statutory responsibilities that overlap with the grant program that the Department wants to establish and statute clearly states that the Colorado State Forest Service (CSFS) shall manage any moneys appropriated to the Healthy Forests and Vibrant Communities Fund and shall implement any executive order or declaration by the Governor in relation to funds in the Healthy Forests and Vibrant Communities Fund.

Another reason that staff finds problematic is that if the General Assembly were to appropriate the \$10.0 million into the Fund, there are no mechanisms for legislative control of the appropriation, basically, the Governor can structure a grant program without input from the General Assembly if he so chooses.

House Bill 09-1199 (Colorado Healthy Forests and Vibrant Communities Act of 2009)

The bill provided \$1.95 million annually for three years (FY 2009-10, FY 2010-11, and FY 2011-12) from the Operational Account of the Severance Tax Trust Fund (Operational Account) to the Healthy Forests and Vibrant Communities Fund for the implementation of the Act. Among other responsibilities, Section 23-31-313, C.R.S., tasked the SFS with:

- Community Firefighter Planning and Preparedness through the facilitation of Community Wildfire Protection Plans (CWPP) - \$475,000 are plans to identify and mitigate fire hazards developed with input from state, local, and federal bodies and other interested parties;
- Community Wildfire Risk Mitigation - \$200,000 to reduce wildfire risk by risk mitigation treatments. As part of this task, the SFS is to expand its fuels mitigation program through sixty percent cost-share grants to address needs expressed by landowners or utility easement owners in the wildland-urban interface;
- Community Watershed restoration - \$1,100,000 to protect watersheds establish a Forest Restoration Pilot Program Grants;
- Forest Treatment Revolving Loan Fund - \$65,000 administer a revolving loan fund to support woody biomass utilization;
- Wildfire Risk Mitigation Loan Program - \$200,000 provide businesses with startup capital for equipment to harvest, remove, and use beetle-killed and other timber taken as part of wildfire risk reduction or fuels mitigation treatment. The bill created the continuously appropriated Wildfire Risk Mitigation Revolving Fund;
- Outreach and Technical Assistance - \$360,000 secure full-time temporary staff to help carry out the activities mentioned above, secure sufficient GIS capabilities to be able to better provide wildfire, insect, and disease risk assessments, develop a web-based clearinghouse for technical resources and funding resources related to the bill.

Expenditure of Moneys from the Healthy Forests and Vibrant Communities Fund

House Bill 09-1199 also created the Healthy Forests and Vibrant Communities Fund in the CSFS. The fund receives transfers from the Operational Account, but can also receive appropriations from the General Assembly. The moneys in the fund are continuously appropriated. Section 23-32-313 (10) (b), C.R.S., further states that the Governor may issue an executive order or proclamation to access and designate moneys in the Healthy Forests and Vibrant Communities Fund for healthy forests and vibrant communities activities discussed above. The section further clarifies that the State Forest Service shall implement the directives set forth in such executive order or proclamation.

Legislative Legal Services (LLS) staff advise that the particular language of statute that instructs the State Forest Service to implement any such order is problematic when considering appropriating moneys for a grant program into the Healthy Forests and Vibrant Communities Fund for DNR to manage. LLS staff believe that the word "implement" is particularly problematic.

It is important to note here that Section 24-33-201, C.R.S., creates a Division of Forestry within the Department of Natural Resources and instructs the director of the Department to enter into an agreement with the Colorado State University (CSU) to cooperate in the State's efforts to improve the management and health of forests and to provide staff for the Division of Forestry.

Essentially, this language states that the Division of Forestry is staffed by the State Forest Service, however, the State Forest Service is part of CSU.

House Bill 12-1032 (Continuation of the Healthy Forest and Vibrant Communities Fund and the Forest Restoration Program Cash Fund)

The bill extended for five years, until July 1, 2018 the transfers from the Operational Account into the Forest Restoration Program Cash Fund \$1.0 million and the Healthy Forests and Vibrant Communities Fund \$1.45 million. The Forest Restoration Program Cash Fund moneys are to be used for cost share grants to stakeholders for experimental forest restoration projects.

(6) Division of Parks and Wildlife

Senate Bill 11-208 merged the Division of Parks and Outdoor Recreation and the Division of Wildlife into a new division titled Division of Parks and Wildlife, effective July 1, 2011.

State Parks

The State Parks sub-division manages 42 parks and several special purpose programs including the snowmobile program, the off-highway vehicle program, river outfitters regulation, federal grants, aquatic nuisance species control and prevention, and the distribution of trails grants.

The level of services at existing state parks as well as the acquisition and development of new parks' properties is driven by available funding sources. Workload, and some revenue, is driven by visitation. State Parks are estimated to have approximately 12.6 million visitors in FY 2012-13.

State Parks Visitation	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate
State Parks Visitation	12,295,354	12,338,520	12,233,271	12,355,603
Percent Change	<i>n/a</i>	<i>0.4%</i>	<i>-0.9%</i>	<i>1.0%</i>

Revenues for State Parks include fees, lottery funds, and other state and federal funds. Over the past several years, General Fund support for State Parks has declined and was completely eliminated starting with FY 2011-12. For FY 2011-12, the last year actual data is available; State Parks received \$63.0 million in total revenue. Of this amount, a total of \$28.6 million is estimated to come from park passes and entry fees, permits and user fees, and various other fees; \$22.4 million from Lottery and Great Outdoors Colorado (GOCO) funds; \$6.5 million from severance tax funding; \$2.5 million from federal funds; and \$3.0 million from other various sources.

State Park Revenues				
	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate
Lottery 10 % Distribution	\$11,294,157	\$11,336,100	\$12,324,948	\$11,651,735
GOCO Parks Grants	7,752,646	11,272,557	10,029,139	9,684,781
Parks Passes and Entry Fees	9,304,125	11,421,860	11,397,645	10,514,380
Permits and User Fees	7,364,829	8,330,543	8,628,471	7,662,456
State Funds (Severance Tax and Species Conservation Trust Fund)	7,464,583	7,795,775	6,483,459	4,383,042
Federal Funds	4,010,696	6,127,566	2,543,865	4,227,376
Registration Fees - Other	5,148,523	5,058,151	5,115,783	5,197,956
Registration Fees - Boats	3,425,120	3,400,940	3,441,330	2,764,857
General Fund	2,373,023	2,286,833	0	0
Other ¹	<u>3,311,397</u>	<u>3,284,526</u>	<u>3,021,983</u>	<u>3,245,786</u>
Total State Parks Revenues	\$61,449,099	\$70,314,851	\$62,986,623	\$59,332,369

¹ Includes concession / lease income, interest, sale of goods and services, and other various sources.

Great Outdoors Colorado (GOCO) Board Grants

This section provides information on grants awarded by GOCO to the Division of Parks and Wildlife. GOCO also makes grants to local governments and for open space that are not reflected in the state budget. Pursuant to Article XXVII of the Colorado Constitution, GOCO grants are not subject to legislative appropriation authority and thus are reflected for information only. The GOCO grants to State Parks are used for developing new parks (capital) as well as enhancing and maintaining existing parks (operating). The GOCO grants to Wildlife are used for species protection, habitat development, watchable wildlife, and wildlife education.

Great Outdoors Colorado (GOCO) Board Grants					
	FY 2008-09 Award	FY 2009-10 Award	FY 2010-11 Award	FY 2011-12 Award	FY 2012-13 Estimate
Parks Capital Budget	\$2,200,000	\$21,881,500	\$4,399,360	\$2,047,548	\$6,976,952
Parks Operating Budget	<u>8,139,000</u>	<u>4,375,000</u>	<u>4,998,382</u>	<u>4,459,207</u>	<u>6,506,755</u>
Total GOCO Grants to State Parks	\$10,339,000	\$26,256,500	\$9,397,742	\$6,506,755	\$13,483,707
Wildlife Base Capital Budget	\$2,361,651	\$2,442,183	\$2,494,966	\$2,528,173	\$4,628,173
Wildlife Legacy Capital Grants ¹	0	4,000,000	10,000,000	8,300,000	0
Wildlife Operating Budget	<u>6,200,000</u>	<u>6,300,000</u>	<u>6,300,000</u>	<u>6,273,000</u>	<u>6,273,000</u>
Total Grants to Wildlife	\$8,561,651	\$12,742,183	\$18,794,966	\$17,101,173	\$10,901,173

¹ Wildlife Legacy Capital Grants represent funding made available in 2-3 year intervals prior to FY 2012-13.

Wildlife

The Wildlife sub-division manages the state's 960 game and non-game wildlife species by issuing fishing and hunting licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations, and managing approximately 1,500,000 acres including 352 state wildlife areas. Funding for the Wildlife sub-division is a mixture of cash funds from license fees, federal funds, Great Outdoors Colorado funds, and various other sources. Hunting and fishing license sales, approximately 2.3 million licenses sold in FY 2011-12, provide more than half of the funding for wildlife. Approximately 67.4 percent of total hunting and fishing license sales are from big game species (mainly elk and deer), and about half of all revenues from hunting and fishing license sales come from the sale of non-resident big game hunting licenses. The table below shows Wildlife revenues by category.

Wildlife Revenues				
	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate
Big Game Hunting ¹	\$50,107,619	\$50,805,076	\$48,939,062	\$49,583,882
Small Game Hunting	2,117,836	1,681,489	1,389,963	1,427,744
Fishing	13,646,074	13,419,193	12,196,964	11,382,031
Habitat Stamp	3,564,254	5,465,205	6,563,936	6,270,303
Other Licenses ²	<u>5,192,651</u>	<u>3,674,460</u>	<u>3,529,326</u>	<u>3,442,322</u>
Subtotal: License Revenues by Species	\$74,628,434	\$75,045,423	\$72,619,251	\$72,106,282
Federal Funds	24,204,131	24,236,684	24,083,154	24,100,000
Great Outdoors Colorado Grants	11,155,219	22,053,229	13,651,460	13,700,000

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Wildlife Revenues				
	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate
State Funds (Severance Tax and Species Conservation Trust Fund)	3,039,946	3,562,358	2,907,019	2,400,000
Other License Revenues ³	0	1,525,284	3,337,366	3,300,000
Wildlife Management Surcharge	0	865,302	905,935	906,000
Other ⁴	4,629,696	4,153,744	4,862,477	4,900,000
Total Wildlife Revenues	\$117,657,426	\$131,442,024	\$122,366,662	\$121,412,282

¹ Big Game Hunting includes Elk, Deer, Pronghorn, Bear, Sheep, Goat, Lion, Moose, and Desert Sheep.

² Other Licenses includes combination, turkey, and miscellaneous (include non-resident off-highway vehicle permits and hunter education card replacements).

³ Limited license application fees, hunter education cards, and landowner and preference point fees.

⁴ Includes goods sold, rent, fines, interest, donations, and other grants.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Division of Parks and Wildlife				
	Total Funds	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	130,576,039	117,695,345	12,880,694	909.5
Other legislation	2,336	2,336	0	0.0
SB 13-098 NAT FY 13 Supplemental	<u>(77,358)</u>	<u>(77,358)</u>	<u>0</u>	<u>(1.0)</u>
TOTAL	\$130,501,017	\$117,620,323	\$12,880,694	908.5
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$130,501,017	\$117,620,323	\$12,880,694	908.5
R-8/BA-8A DPW Merger Cost Savings	(1,506,774)	(1,506,774)	0	(22.0)
R-9 DPW Wildlife Refinance	5,626,760	(3,000,000)	8,626,760	0.0
R-10 EDO OIT Staffing Correction	(77,358)	(77,358)	0	(1.0)
Base Indirect Costs Adjustments	569,481	533,809	35,672	0.0
Base Fund Source Adjustments	0	0	0	0.0
Base Annualization Other Bills	<u>59,217</u>	<u>59,217</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$135,172,343	\$113,629,217	\$21,543,126	886.5
Increase/(Decrease)	\$4,671,326	(\$3,991,106)	\$8,662,432	(22.0)
Percentage Change	3.6%	(3.4%)	67.3%	(2.4%)
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Issue Descriptions

R-8/BA-8A DPW Merger Cost Savings and FTE Reduction: The recommendation reduce various Division of Parks and Wildlife appropriations to capture anticipated cost savings from the merger of the Division of Parks and Outdoor Recreation and the Division of Wildlife in S.B. 11-208 (Merge Parks and Wildlife Divisions).

R-9 DPW Wildlife Management Refinance: The recommendation aligns the Long Bill appropriation with the Division's spending and financing structure. The recommendation provides an increase of \$5,626,760 total funds in the Division of Parks and Wildlife to re-align appropriations in the Wildlife Sub-division. The recommendation reduces \$3.0 million cash funds (Wildlife Cash Fund) and increase \$8.6 million federal funds. The recommendation aligns the Long Bill appropriation with the Division's spending and financing structure.

R-10 EDO OIT Staffing Correction: The recommendation corrects two errors made during the FY 2010-11 Office of Information Technology (OIT) consolidation.

Base Indirect Costs Adjustments: The recommendation includes an increase of \$569,481 total funds for the Department's FY 2013-14 indirect cost assessment. For additional information on the Department's indirect cost assessment methodology see *Appendix A*.

Base Fund Source Adjustments: The recommendation includes various funding source adjustments.

Base Annualization Other Bills: The recommendation includes an increase of \$59,217 total funds to annualize S.B. 13-098 the FY 2012-13 supplemental bill and a reduction for H.B. 12-1330 Hunting Fishing License Suspension Hearing.

LINE ITEM DETAIL

(A) PARKS AND OUTDOOR RECREATION

(1) State Park Operations

The State Park Operations line item funds the ongoing operations and administrative staff at all state parks and central offices. This line includes personal services, operating expenses, utility expenses, and a seasonal work program that enables the Division to hire temporary staff to assist at state parks during the busy season.

The table below shows the estimated expenditures for this line item in FY 2012-13.

State Park Operations Estimated Expenditures FY 2012-13				
Program Area:	FTE	Personal Services	Operating	Total
State Park Operations	191.3	15,014,991	5,518,801	20,533,792
Park Administration	14.0	1,472,066	216,993	1,689,059
Business Services	34.0	2,650,635	1,991,619	4,642,254
Information Technology	0.0	0	20,805	20,805
Natural Resource Management	3.0	331,430	201,403	532,833
Land and Water Management	2.0	206,905	34,244	241,149
<u>Trails</u>	<u>3.0</u>	<u>161,873</u>	<u>15,616</u>	<u>177,489</u>
Total:	247.3	19,837,900	7,999,481	27,837,381

Request: The Department requests \$27,203,781 total funds and 255.1 FTE. The request includes funding for R-8/BA-8A DPW Merger Costs Savings, R-10 EDO OIT Staffing Correction.

Recommendation: Staff recommends the Committee fund the Department request. Of the total funding, staff recommends \$17,800,415 cash funds from the Parks Cash Fund, \$2,243,971 cash funds from the Operational Account of the Severance Tax Trust Fund, \$4,335,000 cash funds from the GOCO Board, \$1,859,306 cash funds from Lottery Proceeds, \$122,690 cash funds from the Snowmobile Recreation Fund, \$7,437 cash funds from the OHV Recreation Fund, and \$396,254 cash funds from various sources.

Staff made a recommendation for R-8/BA-8A in the recommendation for the Executive Director's Office, Health, Life, and Dental line item. Staff made a recommendation for R-10 in the recommendation for the Executive Director's Office, Personal Services line item.

➔ Request R-8/BA-8A Colorado Parks and Wildlife Merger Cost Savings and FTE Reduction

This request was discussed at length in the Executive Director's Office, Health, Life, and Dental line item above.

The table below shows the Department calculation of the request.

R-8/BA-8a FTE Savings Calculation		
	FTE	Total
ADMIN ASSISTANT II	(3.5)	(\$151,157)
BUDGET ANALYST II	(1.0)	(72,714)
CRIMINAL INVESTIGATOR III	(1.0)	(94,464)
ENGINEER-IN-TRAINING III	(1.0)	(76,929)
GENERAL PROFESSIONAL III	(1.0)	(59,433)
GENERAL PROFESSIONAL IV	(1.0)	(72,672)
GENERAL PROFESSIONAL V	(1.0)	(89,696)
GENERAL PROFESSIONAL VI	(1.0)	(104,744)
GENERAL PROFESSIONAL VII	(2.0)	(209,486)
MANAGEMENT	(1.0)	(176,715)
PARK MANAGER II	(3.0)	(156,265)
PARK MANAGER III	(1.0)	(59,433)
PROGRAM ASSISTANT I	(1.0)	(59,789)
PROFESSIONAL ENGINEER II	(1.0)	(96,914)
TECHNICIAN III	(0.5)	(28,621)
WILDLIFE MANAGER VI	(2.0)	(182,071)
Subtotal	(22.0)	(\$1,691,103)
Adjustment for vacant FTE		140,043

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R-8/BA-8a FTE Savings Calculation	
	FTE Total
Operating and Telephone Expenses	(20,900)
TOTAL	(\$1,571,960)

The table below shows the detailed impact of BA-8A as requested by the Department and recommended by JBC staff. As the table shows, the request impacts line items in the Executive Director's Office and the Division of Parks and Wildlife.

Request R-8/BA-8A Colorado Parks and Wildlife Merger Cost Savings and FTE Reduction			
Summary of Request and JBC Staff Recommendation			
	Cash Funds	TOTAL	FTE
Executive Director's Office			
Health, Life, and Dental	(38,856)	(38,856)	0.0
Short-term Disability	(643)	(643)	0.0
S.B. 04-257 AED	(13,500)	(13,500)	0.0
S.B. 06-235 SAED	<u>(12,187)</u>	<u>(12,187)</u>	<u>0.0</u>
TOTAL Executive Director's Office	(65,186)	(65,186)	0.0
Division of Parks and Wildlife			
State Park Operations	(556,242)	(556,242)	(10.2)
Wildlife Director's Office	(171,087)	(171,087)	(2.3)
Wildlife Management	(555,736)	(555,736)	(5.5)
Wildlife Technical Services	(87,556)	(87,556)	(1.0)
Parks S.B. 08-226 Aquatic Nuisance Species	<u>(136,153)</u>	<u>(136,153)</u>	<u>(3.0)</u>
TOTAL Division of Parks and Wildlife	(1,506,774)	(1,506,774)	(22.0)
Total Recommendation R-8/BA-8A	(1,571,960)	(1,571,960)	(22.0)

➔ Request R-10 OIT Staffing Correction

This request was discussed at length in the Executive Director's Office, Purchase of Services from Computer Center line item above.

The Department states that when the Department transferred FTE resources to the OIT as part of the OIT consolidation in FY 2010-11, two existing FTE positions were incorrectly identified and subsequently handled incorrectly in the transfer.

The table below summarizes the request and staff recommendation.

Request R-10 OIT Staffing Correction				
Summary of Request and JBC Staff Recommendation				
	General Fund	Cash Funds	TOTAL	FTE
Executive Director's Office				

JBC Staff Figure Setting – FY 2013-14
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Request R-10 OIT Staffing Correction				
Summary of Request and JBC Staff Recommendation				
	General Fund	Cash Funds	TOTAL	FTE
Purchase of Services from Computer Center	(\$75,857)	\$77,358	\$1,501	0.0
Division of Parks and Wildlife				
State Park Operations	0	(77,358)	(\$77,358)	(1.0)
Water Resources Division				
Water Administration	75,857	0	\$75,857	1.0
TOTAL Recommendation R-10	\$0	\$0	\$0	0.0

Division of Parks and Wildlife, Parks and Outdoor Recreation, State Park Operations

State Park Operations				
	Total Funds	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	27,843,829	27,405,121	438,708	266.3
Other legislation	(6,448)	(6,448)	0	0.0
SB 13-098 NAT FY 13 Supplemental	<u>(77,358)</u>	<u>(77,358)</u>	<u>0</u>	<u>(1.0)</u>
TOTAL	\$27,760,023	\$27,321,315	\$438,708	265.3
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$27,760,023	\$27,321,315	\$438,708	265.3
R-8/BA-8A DPW Merger Cost Savings	(556,242)	(556,242)	0	(10.2)
R-10 EDO OIT Staffing Correction	(77,358)	(77,358)	0	(1.0)
Base Annualization Other Bills	<u>77,358</u>	<u>77,358</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$27,203,781	\$26,765,073	\$438,708	255.1
Increase/(Decrease)	(\$556,242)	(\$556,242)	\$0	(10.2)
Percentage Change	(2.0%)	(2.0%)	0.0%	(3.8%)
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

R-8/BA-8A DPW Merger Savings: Staff recommends a reduction of \$556,242 cash funds (Parks Cash Fund) and 10.2 FTE for Request R-8/BA-8A. For additional information on Request R-8/BA-8A please refer to the discussion for the Executive Director's Office, Health, Life, and Dental line item above.

R-10 EDO OIT Staffing Correction: The recommendation includes a decrease of \$77,358 cash funds (Parks Cash Fund) and 1.0 FTE and corrects two errors made during the FY 2010-11 Office of Information Technology (OIT) consolidation. For additional information on Request R-10 please refer to the discussion for the Executive Director's Office, Purchase of Services from Computer Center line item above.

Base Annualization Other Bills: The recommendation includes an increase of \$77,358 cash funds (Parks Cash Fund) and 1.0 FTE to annualize S.B. 13-098 the FY 2012-13 supplemental bill.

Great Outdoors Colorado Board Grants

Starting with the FY 2012-13 appropriation, three GOCO Board Grants line items were merged into the appropriation for the line item "State Park Operations".

(2) Special Purpose

These are programs that have a dedicated funding source or are related to federal programs that do not directly pertain to the operations of the Colorado park system.

Snowmobile Program

This line item funds the administration and registration of snowmobiles, mandatory safety certification of young operators, enforcement of registration requirements, trail marking and signing, establishment and maintenance of snowmobile trails and related facilities. The source of funds is the Snowmobile Recreation Fund established pursuant to Section 33-14-106, C.R.S. Fees from the registration of snowmobiles are credited to this fund.

Request: The Department requests continuation funding totaling \$1,009,924 cash funds (Snowmobile Recreation Fund) and 1.3 FTE.

Recommendation: Staff recommends the Department's request.

River Outfitters Regulation

This program is responsible for the administration of the annual licensing for river outfitters, regulation of the river outfitters, and ensuring the safety of river running activities through inspections. There are over 177 commercial river outfitter companies with approximately 3,000 guides that run adventure rafting and float fishing trips on the majority of the rivers statewide. The River Outfitter Licensing Program is responsible for performing inspections on these companies to ensure river outfitters employ qualified personnel, follow appropriate operating parameters and meet minimum equipment standards to ensure customer safety. The source of funds is the River Outfitters Cash Fund established pursuant to Section 33-32-111, C.R.S. Registration and licensing fee revenue from river outfitters is credited to this fund.

Request: The Department requests continuation funding totaling \$142,966 cash funds (River Outfitters Cash Fund) and 0.5 FTE.

Recommendation: Staff recommends the Department's request.

Off-highway Vehicle Program

This program is responsible for the administration of the OHV registration and grant program. The program provides information and heightens awareness of the availability of off-highway vehicle recreational opportunities, and encourages safe and responsible use of OHVs through brochures, news releases and other media. The program is also responsible for the promotion of

off-highway vehicle safety through promulgation and enforcement of rules and regulations. Partnerships with land management agencies and enthusiasts are formed to leverage grant funds and promote good management of motorized recreation. The source of funds is the Off-Highway Vehicle Recreation Fund established pursuant to Section 33-14.5-106 (1), C.R.S. Fees for the registration of off-highway vehicles are credited to this fund.

Request: The Department requests continuation funding totaling \$532,501 cash funds (Off-Highway Vehicle Recreation Fund) and 3.0 FTE.

Recommendation: Staff recommends the Department's request.

Off-highway Vehicle Grants

This program provides grants to federal, state, and local government agencies and non-profit user groups to construct and maintain off-highway vehicle trails, parking areas, signage and maps. Grant funds are provided through registration of off-highway vehicles from the Off-Highway Vehicle Registration Fund.

This line item was added during FY 2010-11 as part of a capital construction budget re-organization that moved part of the capital construction budget into the operating budget. As part of this line item, the Committee approved a footnote that authorized three year spending authority in order to allow the Off-Highway Vehicle Grant Program enough time to select grant recipients and to account for weather events that may extend the project completion time to more than a year.

Request: The Department requests continuation funding of \$4,000,000 cash funds (Off-Highway Vehicle Recreation Fund) for grants.

Recommendation: Staff recommends the Department request. In addition, staff recommends that the Committee approve continuation of this footnote as stated below:

"Department of Natural Resources, Division of Parks and Wildlife, Parks and Outdoor Recreation, Special Purpose, Off-highway Vehicle Grants - It is the intent of the General Assembly that the appropriation to this line item remain available until the completion of the project or the close of FY 2015-16, whichever comes first."

Federal Grants

The Department anticipates the receipt of \$750,000 federal funds in FY 2013-14 related to this line item, which reflects a grant from the United States Coast Guard to fund a portion of the requirements of the federal Boat Safety Act. These moneys are shown for informational purposes only. One-half of this money is distributed to local governments and the other half funds state-sponsored projects. The Parks and Wildlife Board evaluates the proposals and distributes these dollars.

Recommendation: Staff recommends the Department request for continuation funding.

S.B. 03-290 Enterprise Fund

Staff recommends the Department's continuation request of \$200,000 cash funds (reserves in the Parks Cash Fund) for this line item. This line item appropriates money into the Stores Revolving Fund, which was established pursuant to S.B. 03-290. This fund is used for the acquisition of warehousing stock and distributing supplies for retail sales to park visitors. At the end of every fiscal year, any fund balance exceeding two hundred thousand dollars reverts back to the Parks Cash Fund.

Information Technology

This line item was created via Decision Item as part of the Department's FY 2012-13 budget request. Previous to this, Colorado State Parks' IT expenditures were funded with three separate Long Bill line items: System Operations and Support, Connectivity at State Parks, and Asset Management. All three lines were cash funded by the 10% of net lottery proceeds distributed directly to State Parks. Further, these three appropriations were shown "for informational purposes only". The Division consolidated these three IT lines into one "Information Technology" line in order to enhance budgetary efficiencies and flexibility.

The new line item will support various business systems, such as the automated record keeping system, law enforcement, volunteer administration, and revenue systems; fund adequate bandwidth capability for Colorado's state parks, which covers both internal and external connectivity, this includes the central Parks office, and the Department's offices at 1313 Sherman Street, as well as various locations within individual parks such as entrance stations, camper services facilities, and outdoor recreation officers; and fund annual replacement of computers and other information technology equipment.

Request: The Department requests continuation funding totaling \$1,301,500 cash funds (10% of net lottery proceeds distributed directly to State Parks).

Recommendation: Staff recommends the Department's request.

Natural Resource Protection

This line item was added during FY 2010-11 as part of a capital construction budget re-organization that moved part of the capital construction budget into the operating budget. This program conducts fuels mitigation projects that involve improving the resilience of state parks areas to recover from wildfires by cutting and removing diseased timber and brush. By investing in the treatment of 1,200 to 1,500 acres of hazardous forest fuels annually, the Natural Resources Protection program enables Colorado State Parks to reduce suppression costs, improve visitor and firefighter safety, reduce impacts on water and air quality, improve wildlife habitat and significantly reduce costs resulting from wildfires.

The Department requests continuation funding totaling \$600,000 (\$150,000 GOCO funds and \$450,000 federal funds from FEMA). **Staff recommends the Department request for continuation funding.**

Miscellaneous Small Projects

This line item was added during FY 2010-11 as part of a capital construction budget re-organization that moved part of the capital construction budget into the operating budget. This program addresses projects that are for the most part under \$50,000, that are more maintenance in nature, and are more appropriately contained in the operating budget. The Department states that this line item is the State Parks internal controlled maintenance program. State Parks are fifty years old with facilities constructed at various times. There is ongoing maintenance required to extend the useful life of the facilities and to avoid costly replacements in the future. Typical miscellaneous small projects include weed spraying, roof repairs, shoreline stabilization, repairs to water and sewer lines, road and parking lot repairs, picnic table replacement, upgrades to utility systems, renovation or replacement of vault and flush toilets, landscaping, and the installation of signs and interpretive kiosks. In addition to the ongoing maintenance and repairs, facilities need to be updated to meet the requirements of the Americans with Disabilities Act (ADA), health and safety standards, as well as providing natural resource protection.

The Department requests continuation funding of \$2,000,000 from lottery proceeds. **Staff recommends the Department request for continuation funding.**

Trails Grants

This line item was added during FY 2010-11 as part of a capital construction budget re-organization that moved part of the capital construction budget into the operating budget. This is a state trails program. This program provides technical assistance and training on trail design, development, and maintenance to agencies, communities, and non-profit groups statewide. It provides public information on trails through maps, newsletters, and electronic media. The trails program also encourages Youth Corp trail projects, volunteerism and public stewardship for trails on public lands. It coordinates with agencies and communities on trails and greenways as part of plans for development, rivers, transportation and utility corridors, recreation, and habitat protection. The specific projects are dependent on the grants submitted, but typically consist of trail maintenance, construction and signage. Grants are made to third parties, the work does not result in a physical asset owned by the state.

The Department requests a continuation appropriation of \$2,200,000 total funds (\$1,650,000 GOCO; \$150,000 lottery; and \$400,000 federal funds from the U.S. Department of Interior, Land and Water Conservation Fund State Assistance Program, and the U.S. Department of Transportation, Recreational Trails Program). **Staff recommends the Department request for continuation funding.**

S.B. 08-226 Aquatic Nuisance Species

S.B. 08-226 established aquatic nuisance species laws to prevent, control, contain, monitor, and eradicate aquatic nuisance species, both wildlife and plants, from state waters. Among other things, the bill created the Divisions of Parks and Outdoor Recreation Aquatic Nuisance Species Fund and the Division of Wildlife Aquatic Nuisance Species Fund. The bill transfers moneys from the Tier 2 Operational Account of the Severance Tax Trust Fund to the Divisions of Parks and Outdoor Recreation Aquatic Nuisance Species Fund. Pursuant to Section 33-10.5-108 (1) (a), C.R.S., the moneys in the Parks ANS Fund are continuously appropriated to State Parks.

Request: The Department requests an appropriation of \$2,548,520 cash funds (Division of Parks and Outdoor Recreation Aquatic Nuisance Species Fund) and 4.0 FTE. The request includes a reduction for R-8/BA-8A DPW Merger Cost Savings.

Recommendation: Staff recommends the Department request.

Division of Parks and Wildlife, Parks and Outdoor Recreation, S.B. 08-226 Aquatic Nuisance Species

S.B. 08-226 Aquatic Nuisance Species			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	<u>2,684,673</u>	<u>2,684,673</u>	<u>7.0</u>
TOTAL	\$2,684,673	\$2,684,673	7.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$2,684,673	\$2,684,673	7.0
R-8/BA-8A DPW Merger Cost Savings	<u>(136,153)</u>	<u>(136,153)</u>	<u>(3.0)</u>
TOTAL	\$2,548,520	\$2,548,520	4.0
Increase/(Decrease)	(\$136,153)	(\$136,153)	(3.0)
Percentage Change	(5.1%)	(5.1%)	(42.9%)
FY 2013-14 Executive Request:	\$2,548,520	\$2,548,520	4.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

R-8/BA-8A DPW Merger Savings: Staff recommends a reduction of \$136,153 cash funds (Parks ANS Fund) and 3.0 FTE for Request R-8/BA-8A. For additional information on Request R-8/BA-8A please refer to the discussion for the Executive Director's Office, Health, Life, and Dental line item and the State Park Operations line item.

Indirect Cost Assessment

The Department requests \$1,777,457 total funds for the State Parks Indirect Cost Assessment line item. Staff recommends the Committee approve the Department request. This appropriation will be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. **Staff recommends the Department request.**

Division of Parks and Wildlife, Parks and Outdoor Recreation, Indirect Cost Assessment

Indirect Cost Assessment				
	Total Funds	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	<u>1,630,331</u>	<u>1,585,363</u>	<u>44,968</u>	<u>0.0</u>
TOTAL	\$1,630,331	\$1,585,363	\$44,968	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,630,331	\$1,585,363	\$44,968	0.0
Base Indirect Costs Adjustments	<u>147,126</u>	<u>154,528</u>	<u>(7,402)</u>	<u>0.0</u>

Indirect Cost Assessment				
	Total Funds	Cash Funds	Federal Funds	FTE
TOTAL	\$1,777,457	\$1,739,891	\$37,566	0.0
Increase/(Decrease)	\$147,126	\$154,528	(\$7,402)	0.0
Percentage Change	9.0%	9.7%	(16.5%)	0.0%
FY 2013-14 Executive Request:	\$1,777,457	\$1,739,891	\$37,566	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

(B) WILDLIFE

(1) Division Operations

Director's Office

The staff in the Director's Office are responsible for the overall management and oversight of Wildlife activities. They work closely with the Executive Director, the Governor, the Legislature, constituents, and other employees in the development and implementation of wildlife policies and regulations. This program includes sub-division planning, budgeting and evaluation activities, as well as management of the sub-division's grant programs. This program also supports the Colorado Parks and Wildlife Commission.

Request: The Department requests \$1,857,086 total funds and 15.7 FTE, including \$1,737,507 cash funds (Parks Cash Fund). The request includes a reduction for R-8/BA-8A.

Recommendation: Staff recommends the Committee approve the Department request.

➔ Request R-8/BA-8A Colorado Parks and Wildlife Merger Cost Savings and FTE Reduction

This request was discussed at length in the Executive Director's Office, Health, Life, and Dental line item above.

The table below shows the Department calculation of the request.

R-8/BA-8a FTE Savings Calculation		
	FTE	Total
ADMIN ASSISTANT II	(3.5)	(\$151,157)
BUDGET ANALYST II	(1.0)	(72,714)
CRIMINAL INVESTIGATOR III	(1.0)	(94,464)
ENGINEER-IN-TRAINING III	(1.0)	(76,929)
GENERAL PROFESSIONAL III	(1.0)	(59,433)
GENERAL PROFESSIONAL IV	(1.0)	(72,672)
GENERAL PROFESSIONAL V	(1.0)	(89,696)
GENERAL PROFESSIONAL VI	(1.0)	(104,744)

JBC Staff Figure Setting – FY 2013-14
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R-8/BA-8a FTE Savings Calculation		
	FTE	Total
GENERAL PROFESSIONAL VII	(2.0)	(209,486)
MANAGEMENT	(1.0)	(176,715)
PARK MANAGER II	(3.0)	(156,265)
PARK MANAGER III	(1.0)	(59,433)
PROGRAM ASSISTANT I	(1.0)	(59,789)
PROFESSIONAL ENGINEER II	(1.0)	(96,914)
TECHNICIAN III	(0.5)	(28,621)
WILDLIFE MANAGER VI	(2.0)	(182,071)
Subtotal	(22.0)	(\$1,691,103)
Adjustment for vacant FTE		140,043
Operating and Telephone Expenses		(20,900)
TOTAL		(\$1,571,960)

The table below shows the detailed impact of BA-8A as requested by the Department and recommended by JBC staff. As the table shows, the request impacts line items in the Executive Director's Office and the Division of Parks and Wildlife.

Request R-8/BA-8A Colorado Parks and Wildlife Merger Cost Savings and FTE Reduction			
Summary of Request and JBC Staff Recommendation			
	Cash Funds	TOTAL	FTE
Executive Director's Office			
Health, Life, and Dental	(38,856)	(38,856)	0.0
Short-term Disability	(643)	(643)	0.0
S.B. 04-257 AED	(13,500)	(13,500)	0.0
S.B. 06-235 SAED	<u>(12,187)</u>	<u>(12,187)</u>	<u>0.0</u>
TOTAL Executive Director's Office	(65,186)	(65,186)	0.0
Division of Parks and Wildlife			
State Park Operations	(556,242)	(556,242)	(10.2)
Wildlife Director's Office	(171,087)	(171,087)	(2.3)
Wildlife Management	(555,736)	(555,736)	(5.5)
Wildlife Technical Services	(87,556)	(87,556)	(1.0)
Parks S.B. 08-226 Aquatic Nuisance Species	<u>(136,153)</u>	<u>(136,153)</u>	<u>(3.0)</u>
TOTAL Division of Parks and Wildlife	(1,506,774)	(1,506,774)	(22.0)
Total Recommendation R-8/BA-8A	(1,571,960)	(1,571,960)	(22.0)

Division of Parks and Wildlife, Wildlife, Director's Office

Director's Office				
	Total Funds	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	2,037,530	1,917,951	119,579	18.0
Other legislation	<u>8,784</u>	<u>8,784</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,046,314	\$1,926,735	\$119,579	18.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$2,046,314	\$1,926,735	\$119,579	18.0
R-8/BA-8A DPW Merger Cost Savings	(171,087)	(171,087)	0	(2.3)
Base Fund Source Adjustments	0	0	0	0.0
Base Annualization Other Bills	<u>(18,141)</u>	<u>(18,141)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,857,086	\$1,737,507	\$119,579	15.7
Increase/(Decrease)	(\$189,228)	(\$189,228)	\$0	(2.3)
Percentage Change	(9.2%)	(9.8%)	0.0%	(12.8%)
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

R-8/BA-8A DPW Merger Savings: Staff recommends a reduction of \$171,087 cash funds and 2.3 FTE for Request R-8/BA-8A. For additional information on Request R-8/BA-8A please refer to the discussion for the Executive Director's Office, Health, Life, and Dental line item above.

Base Fund Source Adjustments: The recommendation includes an adjustment between personal services and operating expenses.

Base Annualization Other Bills: The recommendation includes a decrease for H.B. 12-1330 Hunting Fishing License Suspension Hearing

Wildlife Management

This line item is appropriated based on a prioritization of work related to all wildlife functions within the DPW, excluding the Director's Office, Technical Services, and the Information Technology line items. Wildlife Management activities include managing hunting/fishing opportunities within Colorado; maintaining healthy wildlife populations and ecosystems; preserving/enhancing Colorado's wildlife habitat; and heightening public awareness of DPW's wildlife management role and efforts through educational and outreach programs. Programs that support these main activities include customer service, wildlife conservation, research, aquatic conservation, law enforcement, as well as DPW's regional activities (such as energy extraction impacts on wildlife habitats). This list is not all inclusive due to the volume of budgeted functions within this line item. The DPW utilizes a three-step modified zero-based approach to prioritize its internal budget which is ultimately used to develop its external budget request. This three-step process is used to identify the highest priority work to be funded.

JBC Staff Figure Setting – FY 2013-14
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The table below shows estimated FY 2012-13 personal services and operating expenses for the Wildlife Management program my program area.

Wildlife Management Estimated Expenditures FY 2012-13					
Program Area:	FTE	Personal Services	Operating	Capital Outlay	Total
Hunting Recreation	71.3	7,951,671	4,798,773	0	12,750,444
Habitat Management	100.2	9,380,928	4,120,370	18,000	13,519,298
Fishing Recreation	107.5	8,388,100	2,929,280	7,000	11,324,380
Internal Support Systems	42.1	2,570,742	4,638,703	508,000	7,717,445
Species Conservation	55.2	6,100,556	2,291,673	26,448	8,418,677
Customer Service	77.0	5,531,303	469,086	0	6,000,389
Human Resources	44.3	5,368,815	718,720	0	6,087,535
Law Enforcement	52.0	4,166,650	472,155	7,000	4,645,805
Wildlife Education	27.7	2,306,569	906,913	0	3,213,482
Public Information	13.2	1,791,856	1,312,938	0	3,104,794
Policy and Regulations	6.3	586,846	152,379	0	739,225
Wildlife Viewing	3.6	233,390	114,500	0	347,890
<u>Licensing</u>	<u>0.9</u>	<u>71,424</u>	<u>1,200</u>	<u>0</u>	<u>72,624</u>
Total:*	601.3	\$54,448,850	\$22,926,690	\$566,448	\$77,941,988

*Includes centrally appropriated items in the Executive Director's Office.

Request: The Department requests \$69,322,120 total funds and 547.9 FTE, including \$42,254,650 cash funds (Wildlife Cash Fund), \$6,200,000 GOCO Funds, \$1,100,000 Wildlife Management Public Education Fund, \$500,000 Colorado Outdoors Magazine, \$400,000 Nongame and Endangered Wildlife Cash Fund, \$150,000 Cash Grants and Donations, \$15,000 Federal Aid Projects Income Fund.

The request includes a reduction for R-8/BA-8A for DPW Merger Costs and R-9 Wildlife Refinance.

Recommendation: Staff recommends the Department request.

➔ Request R-8/BA-8A Colorado Parks and Wildlife Merger Cost Savings and FTE Reduction

This request was discussed at length in the Executive Director's Office, Health, Life, and Dental line item above.

➔ Request R-9 DPW Wildlife Management Refinance

The Department has submitted this change request as a "technical spending authority adjustment, for transparency purposes, to increase the Division of Parks and Wildlife, Division Operations Long Bill group appropriation by a total of roughly \$5.6 million."

The Department states that the federal funds amount in the Long Bill has not been significantly adjusted in over 10 years and does not reflect changes to the Divisions financing structure that have occurred. While this request will increase the Long Bill appropriation, it will not result in an increase in spending by the Division.

Over recent years, the financing of programs funded under the Wildlife Division Operations Long Bill group has increasingly diverged from the appropriated amounts in the Long Bill for the following reasons:

- The Division has seen a significant increase in federal grant funds over the appropriated amount;
- The Division has utilized the additional federal funds to leverage cash funds to support wildlife programs that were previously financed purely with cash funds, and;
- The Division has reduced cash-funded expenditures in response to declining cash revenues.

Wildlife receives the majority of its federal funding from the annual apportionments of the federal excise taxes paid by hunters and anglers on firearms, ammunition, fishing equipment and motor boat fuels through the Pittman-Robertson (PR) Wildlife Restoration Act (1937) and the Dingell-Johnson (DJ) Sport fish Restoration Act (1950).

The amount of federal funds (PR and DJ) that the Division has received through federal apportionments has increased. Over the past 11 years the Colorado apportionment has ranged from as low as \$9.5 million in FFY 2000 to a high of \$23 million in FFY 2010. The federal funds must be obligated within two years from the date of the apportionment or the funds will revert to the federal government. However, no permanent adjustment to the Long Bill spending authority has been made to reflect these increases.

Each fiscal year, as the Division receives federal and cash grants, the State Controller adjusts the Division's spending authority to reflect the receipt of these funds as needed after the appropriations have been set in the Long Bill. Generally, the grant funds are available for multiple years or do not expire and expenditures occur over the course of several state fiscal years depending on the approved grant expiration date. This often results in excess spending authority at the end of any fiscal year when grant funds are received but not fully expended. Generally, the available balance of the grant spending authority is rolled to the next state fiscal year to allow the grant program to continue until the grant expiration date. As a result, the final spending authority reported in the Division's budget request schedules has exceeded actual expenditures in FY2009-10 and FY2010-11 and has shown corresponding reversions of cash and federal spending authority. While the amounts show as a reversion in that year, they are actually funds that will ultimately be spent in future years.

In addition to the changes in federal revenue, cash spending has also diverged from the amounts shown in the Long Bill appropriation. In FY2009-10, the Division (with approval of the Parks and Wildlife Commission) reduced cash spending in response to both declining cash revenues and increased federal funding. Federal funds were used to leverage cash funds to finance some programs within the Division Operations Long Bill group that were previously funded with cash sources. This refinancing was possible due to the increase in federal fund apportionments.

Staff recommends the Committee approve the Department Request-9 to align appropriations with actual expenditures.

Division of Parks and Wildlife, Wildlife, Wildlife Management

Wildlife Management				
	Total Funds	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	<u>64,251,096</u>	<u>54,175,386</u>	<u>10,075,710</u>	<u>553.4</u>
TOTAL	\$64,251,096	\$54,175,386	\$10,075,710	553.4
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$64,251,096	\$54,175,386	\$10,075,710	553.4
R-8/BA-8A DPW Merger Cost Savings	(555,736)	(555,736)	0	(5.5)
R-9 DPW Wildlife Refinance	5,626,760	(3,000,000)	8,626,760	0.0
Base Fund Source Adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$69,322,120	\$50,619,650	\$18,702,470	547.9
Increase/(Decrease)	\$5,071,024	(\$3,555,736)	\$8,626,760	(5.5)
Percentage Change	7.9%	(6.6%)	85.6%	(1.0%)
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

R-8/BA-8A DPW Merger Savings: Staff recommends a reduction of \$555,736 cash funds (Wildlife Cash Fund) and 5.5 FTE for Request R-8/BA-8A. For additional information on Request R-8/BA-8A please refer to the discussion for the Executive Director's Office, Health, Life, and Dental line item above.

R-9 DPW Wildlife Refinance: The recommendation aligns the Long Bill appropriation with the Division's spending and financing structure. Provides an increase of \$5,626,760 total funds to re-align appropriations. Reduces \$3.0 million cash funds (Wildlife Cash Fund) and increase \$8.6 million federal funds.

Base Fund Source Adjustments: The recommendation includes an adjustment between personal services and operating expenses.

Technical Services

The Technical Services line item provides support to other Wildlife programs in the form of administrative services, engineering services and facilities management. Administrative support includes accounting and cash management, contracting, grant accounting, procurement, time sheet and labor data collection, license services, human resources, training, and legal services. Engineering services include designing and managing capital construction projects. Facilities management includes operating and maintaining division administrative facilities (offices and customer service centers) and operating the Division's vehicle fleet.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Request: The Department requests \$6,400,796 total funds and 59.0 FTE, including \$6,385,530 cash funds (Wildlife Cash Fund).

Recommendation: Staff recommends the Department request.

Division of Parks and Wildlife, Wildlife, Technical Services

Technical Services				
	Total Funds	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	6,488,352	6,473,086	15,266	60.0
TOTAL	\$6,488,352	\$6,473,086	\$15,266	60.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$6,488,352	\$6,473,086	\$15,266	60.0
R-8/BA-8A DPW Merger Cost Savings	(87,556)	(87,556)	0	(1.0)
Base Fund Source Adjustments	0	0	0	0.0
TOTAL	\$6,400,796	\$6,385,530	\$15,266	59.0
Increase/(Decrease)	(\$87,556)	(\$87,556)	\$0	(1.0)
Percentage Change	(1.3%)	(1.4%)	0.0%	(1.7%)
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

R-8/BA-8A DPW Merger Savings: Staff recommends a reduction of \$87,556 cash funds (Wildlife Cash Fund) and 1.0 FTE for Request R-8/BA-8A. For additional information on Request R-8/BA-8A please refer to the discussion for the Executive Director's Office, Health, Life, and Dental line item above.

Base Fund Source Adjustments: The recommendation includes an adjustment between personal services and operating expenses.

Information Technology

This line is composed solely of the Division's information technology activities that are performed by the Governor's Office of Information Technology. This Line Item supports IT systems and services necessary for core DPW functions by providing computer and communications infrastructure, asset management, user support, standardized software applications, internet oversight, development of information technology policies and plans, and the development and maintenance of new and existing business applications. The Information Technology section also funds the development of strategies that protect, leverage, and best utilizes the division's technology resources serving over 600 divisional computer users.

The Department requests continuation funding totaling \$1,580,395 cash funds (Wildlife Cash Fund). **Staff recommends the Department request.**

(B) WILDLIFE

(2) Special Purpose

Discretionary Fund

This appropriation is used by the Parks and Wildlife Commission to provide funds to the DPW to enhance wildlife and wildlife management. The DPW must apply to the Commission for this money and may work in cooperation with other agencies to complete the proposed projects. Projects funded out of the Discretionary Fund have included the Deloitte & Touche Management Review, a cooperative workshop with Colorado State University on Whirling Disease, partial funding for the purchase of the DPW's budgeting software system, partial funding for research on declining mule deer populations in Colorado, a study on limited licensing, partial funding of equipment for additional video conferencing sites, NE Regional Coyote Management outreach materials and coyote control equipment, partial funding for I-70 Game Ramps, partial funding for Mountain Lion Exhibit, aquatic research equipment, and deer and elk emergency winter feedings.

The Department requests continuation funding totaling \$160,000 cash funds (Wildlife Cash Fund). **Staff recommends the Department request.**

Game Damage Claims and Prevention

Staff recommends the Department's continuation request of \$1,282,500 cash funds for this line item, which represents spending authority for when and if a game damage claim is made against the Department. Approximately half of the spending in this line is for game damage prevention and the other half is for the claims. It is not possible to accurately predict the spending on claims as it is dependent upon a myriad of factors, including the weather. This line item includes funds for the purchase of fencing, pyrotechnics and other materials which are provided to landowners for the purpose of preventing damage (and potential DPW liability) to standing and harvested crops, forage, and other property. Staff notes that S.B. 09-24 changed the amount of time the Division has to contact landowners and provide game damage prevention materials.

Instream Flow Program

Staff recommends the Department's request for \$296,027 cash funds for this line item. Funds appropriated to this line item are transferred to the Colorado Water Conservation Board (CWCB) to support the instream flow program. Pursuant to Section 37-92-102(3) C.R.S., the CWCB uses the funds to acquire water for minimum stream flows or volumes for natural lakes to preserve the natural environment.

Habitat Partnership Program

Staff recommends the Department's request for \$2,500,000 cash funds (Habitat Partnership Cash Fund) for this line item, which is continuously appropriated. Senate Bill 01-006 dedicated five percent of the net sales of big game hunting licenses used in geographic locations represented by a habitat partnership committee to the Habitat Partnership Program.

The Habitat Partnership Program, which is managed through 18 local Habitat Partnership Committees (plus one statewide committee), is designed to reduce wildlife conflicts, especially

those related to forage and fencing issues. Local committees develop big game distribution management plans designed to minimize such wildlife conflicts. In this regard, the Division funds fencing projects and performs various habitat improvement projects designed to meet game management objectives and to keep big game off of private property. Pursuant to Section 33-1-112 (8)(e), C.R.S., there is an annual transfer of five percent of the net sales of big game hunting licenses used in geographic locations represented by a Habitat Partnership Committee.

S.B. 08-226 Aquatic Nuisance Species

Staff recommends the Department's request for \$1,304,544 cash funds Aquatic Nuisance Species Fund) for this line item. S.B. 08-226 established aquatic nuisance species laws to prevent, control, contain, monitor, and eradicate aquatic nuisance species, both wildlife and plants, from state waters. Among other things, the bill created the Divisions of Parks and Outdoor Recreation Aquatic Nuisance Species Fund and the Division of Wildlife Aquatic Nuisance Species Fund. The bill transfers moneys from the Tier 2 Operational Account of the Severance Tax Trust Fund to the two funds.

Grants and Habitat Partnerships

This line item contains projects related to (1) grants for habitat improvement on private property under the Pheasant Habitat Partnership Program (PHIP); (2) small habitat improvement projects on State Wildlife Areas that cost less than \$50,000 each and are more appropriately categorized as operating expenses, and ; (3) grants for improvements, repairs and development for wetlands and shooting ranges.

This line item was transferred from the Capital Construction budget during FY 2010-11 figure setting.

Request: The Department requests continuation funding of \$1,625,000 (\$1,425,000 Wildlife Cash Fund and \$200,000 from the sale of waterfowl stamps). Staff notes that the Department has requested to increase the amount coming from the waterfowl stamp by \$50,000 and decrease the Wildlife Cash Fund by the same amount.

Recommendation: Staff recommends the Department request.

Similar to FY 2012-13, staff recommends including a footnote in the FY 2013-14 budget that reads:

"Department of Natural Resources, Division of Parks and Wildlife, Wildlife, Special Purpose, Grants and Habitat Partnerships - It is the intent of the General Assembly that the appropriation to this line item remain available until the completion of the project or the close of FY 2015-16, whichever comes first."

Asset Maintenance and Repairs

Staff recommends the Department's request for continuation funding of \$606,880 Wildlife Cash Fund. This line item addresses projects that are for the most part under \$50,000, are more maintenance in nature, and are more appropriately contained in the operating budget. This line item represents the Division's internal controlled maintenance program.

This line item was transferred from the Capital Construction budget during FY 2010-11 figure setting.

Similar to FY 2012-13, staff recommends including a footnote in the FY 2013-14 budget that reads:

"Department of Natural Resources, Division of Parks and Wildlife, Wildlife, Special Purpose, Asset Maintenance and Repairs - It is the intent of the General Assembly that the appropriation to this line item remain available until the completion of the project or the close of FY 2014-15, whichever comes first."

Indirect Cost Assessment

The Department requests \$3,979,346 total funds, including \$3,349,809 cash funds from the Wildlife Cash Fund, for the Wildlife Indirect Cost Assessment line item. Staff recommends the Committee approve the Department request. This appropriation will be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. **Staff recommends the Department request.**

Division of Parks and Wildlife, Wildlife, Indirect Cost Assessment

Indirect Cost Assessment				
	Total Funds	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	<u>3,556,991</u>	<u>2,970,528</u>	<u>586,463</u>	<u>0.0</u>
TOTAL	\$3,556,991	\$2,970,528	\$586,463	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$3,556,991	\$2,970,528	\$586,463	0.0
Base Indirect Costs Adjustments	<u>422,355</u>	<u>379,281</u>	<u>43,074</u>	<u>0.0</u>
TOTAL	\$3,979,346	\$3,349,809	\$629,537	0.0
Increase/(Decrease)	\$422,355	\$379,281	\$43,074	0.0
Percentage Change	11.9%	12.8%	7.3%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

(7) Colorado Water Conservation Board

The Colorado Water Conservation Board (CWCB) was created in 1937 with a mission to conserve, develop, protect, and manage Colorado's water for present and future generations. Section 37-60-104 (1), C.R.S., defines the requirement of the 15-member Board of Directors and Section 37-60-106, C.R.S., describes the duties of those board members. Section 37-60-111 (1), C.R.S., defines the role of the CWCB Director, who is the chief administrative head of the Board, under the supervision and direction of the Board, and who has supervision of the CWCB's activities and employees. Section 37-60-111 (3), C.R.S., establishes that the Board employ staff that are technical, clerical, and any other personnel who can enable the Board to perform duties and carry out the mission of the CWCB.

Since FY 2001-02, all of the Colorado Water Conservation Board (CWCB) administrative costs have been funded with cash funds from the Colorado Water Conservation Board Construction Fund (CWCB Construction Fund) and other cash sources. This financing requirement means that the Construction Fund must support non-renewing expenditures of the Division from its loan repayments proceeds, leaving less money available for loans and grants for water projects around the state.

The Division's special purpose programs are generally supported by specific cash funds sources mandated or authorized in statute, and/or federal funds. The cost-share is calculated on any remaining costs after other fund sources, such as the Operational Account of the Severance Tax Trust Fund and other cash funds are largely accounted for.

Pursuant to Section 37-60-106 (1), C.R.S., it is the duty of the Board to promote the conservation of the waters of the state of Colorado in order to secure the greatest utilization of such waters and the utmost prevention of floods. Section 37-60-119 (2), C.R.S., states that the CWCB may enter into contracts for the use of, or to loan moneys to enable the construction, rehabilitation, enlargement, or improvement of, flood control, water, power, and any related recreational facilities, excluding domestic water treatment and distribution systems, with any agency or political subdivision of this state or the federal government. In order to recover the Board's capital investment, the Board may set interest charges at between zero and seven percent.

Section 37-60-121 (1) (b) (IV), C.R.S., states that the CWCB shall only participate in projects that can repay the Board's investment. Grants shall only be made when specifically authorized by the General Assembly through a bill (the annual water projects bill, S.B. 12S-002). Statute also states that the Board shall have the authority to de-authorize grants approved by the General Assembly and use any remaining funds for other statutorily authorized purposes if the grant project has been completed or is no longer feasible.

Colorado Water Conservation Board Construction Fund

The Colorado Water Conservation Board (CWCB) Construction Fund, created in Section 37-60-121 (1) (a), C.R.S., provides loans and grants for projects that will increase the beneficial consumptive use of Colorado's undeveloped compact entitled waters. Section 37-60-121 (1) (b)

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

(IV), C.R.S., instructs the Colorado Water Conservation Board (CWCB) to participate in only those projects that can repay the CWCB's investment, unless specifically authorized by the legislature through a bill. Section 37-60-122 (1) (b), C.R.S., authorizes the CWCB to make loans without General Assembly approval in amounts not to exceed ten million dollars, and the unappropriated balance of moneys in the CWCB Construction Fund and the Severance Tax Trust Fund Perpetual Base Account are continuously appropriated for this purpose. The CWCB Construction Fund receives revenues from the return of principal and interest on outstanding loans, interest earned on the cash balance of the Fund through investments by the State Treasurer, transfers from the Perpetual Base Account, and federal mineral lease (FML) fund distributions (10.0 percent of non-bonus FML revenue, up to a statutory cap that grows by four percent). For FY 2012-13, S.B. 12S-002 appropriated \$28.4 million from the CWCB Construction Fund for various water-related projects including \$12.0 million for the purchase of all or a portion of Colorado's allotment of water from the Animas-La Plata Project. S.B. 12S-002 also transferred a total of \$43.0 million from the Perpetual Base Account of the Severance Tax Trust Fund to the CWCB Construction Fund over three fiscal years (FY 2012-13, FY 2013-14, and FY 2014-15). The CWCB Construction Fund also pays for the administrative expenses of the CWCB.

Colorado Water Conservation Board Construction Fund				
<u>Cash Flow Summary Report</u>				
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
	Actual	Actual	Estimate	Estimate
Interest (Loans, Treasury, Miscellaneous)	\$12,331,782	\$10,093,843	\$9,513,188	\$9,549,549
Federal Mineral Lease (FML) Revenues	14,722,345	15,748,096	13,656,478	15,222,142
Other Revenues (including pass-through)	9,622,128	9,880,027	3,194,238	2,844,238
Animas-La Plata Project	12,000,000	12,000,000	12,000,000	0
Rio Grande Cooperative Project	0	0	15,000,000	15,000,000
Chatfield Reservoir Reallocation Project	<u>0</u>	<u>0</u>	<u>5,000,000</u>	<u>0</u>
Total Revenues	\$48,676,255	\$47,721,966	\$58,363,904	\$42,615,929
CWCB Operating Costs	10,523,242	8,477,462	6,287,246	6,263,647
Non-Reimbursable Expenditures	3,314,720	6,001,119	7,122,377	3,965,000
Transfer to Other CWCB Funds	2,480,277	841,882	900,000	900,000
Water Supply Reserve Account and Other Pass-Through	4,883,119	3,473,078	0	0
Animas-La Plata Project Expenditure	0	12,000,000	24,000,000	0
Rio Grande Cooperative Project Expense	<u>0</u>	<u>0</u>	<u>5,000,000</u>	<u>0</u>
Total Expenditures	\$21,201,358	\$30,793,541	\$43,309,623	\$11,128,647
Net Cash Flow	\$27,474,897	\$16,928,425	\$15,054,281	\$31,487,282

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Colorado Water Conservation Board Construction Fund				
<u>Fund Balance Report</u>				
Based on September 2012 Legislative Council Staff Revenue Estimate				
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
	Actual	Actual	Estimate	Estimate
Net Cash Assets <u>Less</u> Loan and Non-Reimbursable Obligations	\$41,202,668	\$66,076,312	\$50,181,703	\$46,596,564
Estimated New Project Loans	N/A	N/A	\$34,000,000	\$30,000,000

Perpetual Base Account of the Severance Tax Trust Fund

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

Perpetual Base Account of the Severance Tax Trust Fund				
<u>Cash Flow Summary Report</u>				
Based on September 2012 Legislative Council Staff Revenue Estimate				
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
	Actual	Actual	Estimate	Estimate
Severance Tax Revenues	\$35,005,279	\$49,859,296	\$22,814,332	\$44,014,106
Interest (Loans and Treasury)	<u>6,538,389</u>	<u>6,738,136</u>	<u>4,780,207</u>	<u>4,901,964</u>
Total Revenues	<u>\$41,543,668</u>	<u>\$56,597,432</u>	<u>\$27,594,539</u>	<u>\$48,916,070</u>
Animas-La Plata Project Transfer	12,000,000	12,000,000	12,000,000	0
General Fund Transfers	16,000,000	48,100,000	0	0
Agriculture Emergency Drought Grants	0	0	1,000,000	1,000,000
Rio Grande Cooperative Project	0	0	15,000,000	15,000,000
Chatfield Reservoir Reallocation Project	0	0	5,000,000	0
Governor's Energy Office	<u>0</u>	<u>67,843</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$28,000,000</u>	<u>\$60,167,843</u>	<u>\$33,000,000</u>	<u>\$16,000,000</u>
Net Cash Flow	<u>\$13,543,668</u>	<u>(\$3,570,411)</u>	<u>(\$5,405,461)</u>	<u>\$32,916,070</u>

Perpetual Base Account of the Severance Tax Trust Fund				
<u>Fund Balance Report</u>				
Based on September 2012 Legislative Council Staff Revenue Estimate				
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
	Actual	Actual	Estimate	Estimate
Net Cash Assets <u>Less</u> Loan and Non-Reimbursable Obligations	\$22,321,041	\$48,423,975	\$3,018,514	\$934,583
Estimated New Project Loans	N/A	N/A	\$40,000,000	\$35,000,000

Operational Account of the Severance Tax Trust Fund

The CWCB also receives funding from the Operational Account. The Operational Account faces significant revenue shortfall and proportional reductions to Tier II programs.

Water Supply Reserve Account

In addition to the two accounts discussed above, the Water Supply Reserve Account (Account), created in Section 39-29-109 (2) (c), C.R.S., receives moneys from Tier II of the Operational Account of the Severance Tax Trust Fund. The Water Supply Reserve Account is set to receive \$6.0 million in FY 2011, \$7.0 million in FY 2012, and \$10.0 million each year after that commencing with FY 2013. The CWCB must allocate moneys by grant or loan from the Account only for water activities approved by a roundtable pursuant to Section 37-75-101, C.R.S., through Section 37-75-107, C.R.S., also known as the "Colorado Water for the 21st Century Act" (H.B. 05-1177; Rep. Penry/Sen. Isgar).

Severance Tax Fund

The CWCB is authorized pursuant to Section 39-29-109.3 (1) (d), C.R.S., to receive up to 5.0 percent of Operational Account Tier I funding for programs within the CWCB and for purposes of Interbasin Compacts (Section 37-75-101, C.R.S.). This funding is annually appropriated in the Special Purpose section, "Severance Tax Fund" line item.

Water Efficiency Grant Program

The Water Efficiency Grant Program was created in Section 37-60-126 (12), C.R.S., to provide state funding to aid in the planning and implementation of water conservation plans. The Water Efficiency Grant Program is allocated \$550,000 from Tier II of the Operational Account pursuant to Section 39-29-109.3 (2) (c), C.R.S.

Interbasin Compacts

In addition, the "Interbasin Compacts" line item receives \$745,067 annually from Tier II of the Operational Account pursuant to Section 37-75-107, C.R.S., and Section 39-29-109.3 (2) (i), C.R.S.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Colorado Water Conservation Board					
	Total Funds	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	8,637,650	8,200,961	291,587	145,102	45.7
SB 12S-002 CWCB Projects Bill	27,975,000	27,975,000	0	0	0.0
Other legislation	<u>910,900</u>	<u>910,900</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$37,523,550	\$37,086,861	\$291,587	\$145,102	45.7
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$37,523,550	\$37,086,861	\$291,587	\$145,102	45.7
Base Indirect Costs Adjustments	(28,088)	(23,599)	0	(4,489)	0.0
Base Annualization S.B. 12S-002	(27,975,000)	(27,975,000)	0	0	0.0
Base Annualization H.B. 12-1278	<u>(910,900)</u>	<u>(910,900)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,609,562	\$8,177,362	\$291,587	\$140,613	45.7
Increase/(Decrease)	(\$28,913,988)	(\$28,909,499)	\$0	(\$4,489)	0.0
Percentage Change	(77.1%)	(78.0%)	0.0%	(3.1%)	0.0%

Colorado Water Conservation Board					
	Total Funds	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Executive Request:	\$8,609,562	\$8,177,362	\$291,587	\$140,613	45.7
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Issue Descriptions

Base Indirect Costs Adjustments: The recommendation includes a decrease of \$28,088 total funds for the Department's FY 2013-14 indirect cost assessment. For additional information on the Department's indirect cost assessment methodology see *Appendix A*.

Base Annualization S.B. 12S-002: The recommendation includes a reduction for S.B. 12S-002 CWCB Construction Fund Projects totaling \$27,975,000 CWCB Construction Fund.

Base Annualization H.B. 12-1278: The recommendation includes a reduction for H.B. 12-1278 South Platte Groundwater Study Augmentation totaling \$910,900 CWCB Construction Fund.

LINE ITEM DETAIL

(A) ADMINISTRATION

Personal Services

Staff recommends the Department request for continuation funding for the CWCB Personal Services line item totaling \$2,886,953 total funds and 30.0 FTE. Of this amount, \$2,551,616 cash funds is from the CWCB Construction Fund, \$43,750 cash funds is from the Operational Account of the Severance Tax Trust Fund, and \$291,587 reappropriated funds is from the Wildlife Cash Fund.

Operating Expenses

This line item was a standalone line item until FY 2011-12 when it was combined with the Interstate Compacts and the Western States Water Council Dues line items per Decision Item #5 (Increased Dues). Funding from the former Interstate Compacts line item helps the CWCB to maintain the State's ability to utilize and develop its entitlements under interstate compacts and equitable apportionment decrees in accordance with state water law. Since the line items were combined, the CWCB uses the Operating Expenses line item to continue these efforts along with paying for day to day operating expenditures. **Staff recommends the Department request for continuation funding totaling \$472,761 cash funds from the CWCB Construction Fund.**

River Decision Support Systems

The River Decision Support System (RDSS) consists of databases and models that facilitate decision making related to interstate compacts, water resource planning, and water rights administration, through use of historic data and geographic information system data to support Colorado's Decision Support System (CDSS). The CDSS are water management systems being

developed by the CWCB and the Division of Water Resources (DWR) for each of Colorado's major water basins. The goals of CDSS are:

- Develop accurate, user-friendly databases that are helpful in the administration and allocation of water of the State of Colorado;
- provide data, tools, and models to evaluate alternative water administration strategies, which can maximize utilization of available resources in all types of hydrologic conditions;
- be a functional system that can be used by decision makers and be maintained and upgraded by the State;
- promote information sharing among government agencies and water users.

Use and maintenance of the CDSS is a joint effort of the CWCB and DWR. The two agencies work closely together. The DWR is responsible for all CDSS data collection, database work development, and operation of all CDSS administration tools. The CWCB is the State's primary water resource planning agency and therefore, is responsible for the development and operation of that portion of the CDSS. The Water Information Section was formed in 2007 to focus on the water information needs of the CWCB. In general, the section is responsible for supporting the CWCB with IT, water information, GIS, and decision support system in general.

Staff recommends the Department request for continuation funding totaling \$456,784 cash funds (CWCB Construction Fund) and 4.0 FTE.

Interstate Compacts

Prior to FY 2011-12, funding from the Interstate Compacts line item was used to maintain the State's ability to utilize and develop its entitlements under interstate compacts and equitable apportionment decrees in accordance with state water law. Pursuant to statute, both the Colorado Water Conservation Board and the Division of Water Resources participate in various capacities in interstate water compacts and related associations. The interstate organizations were established to promote communication between state and federal agencies, in support of compact agreements. With the FY 2011-12 budget request, the Department requested and the Committee approved the elimination of this line item and the merger of \$350,071 in funding within the Operating Expenses line.

Western States Water Council Dues

Prior to FY 2011-12, this line item supported Colorado's membership in this multi-state organization which meets quarterly on national water policy and federal regulations impacting the water interests of western states. The Western States Water Council is a subgroup of the Western Governors Association. The Council discusses and advises on water policy issues (state and federal), testifies before Congress on federal regulations and issues affecting western states, and shares information on litigation in other states. With the FY 2011-12 budget request, the Department requested and the Committee approved the elimination of this line item and the merger of \$27,500 in funding within the Operating Expenses line.

(B) SPECIAL PURPOSE

Intrastate Water Management and Development

This line item was added to the Long Bill in the 2006 session with the approval of the Department's decision item for a Statewide Water Supply Initiative (SWSI). This line provides the Colorado Water Conservation Board with funding for an on-going basin by basin analysis associated with the SWSI. The overall objective of the SWSI is to help Colorado maintain an adequate water supply for its citizens and the environment.

In 2006, the funding was recommended in a separate line item, and it was anticipated that it would be required for the next few years. Funding was approved in the Long Bill rather than the annual (water) Projects bill, because of the on-going nature of the operational funding need.

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

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

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

In 2006, to help address Colorado's future water needs, the General Assembly passed S.B. 06-179, which established the Water Supply Reserve Account (WSRA). The WSRA is intended to help Coloradans identify and meet their critical water supply needs. The WSRA receives transfers up to \$10.0 million from the Operational Account of the Severance Tax Trust Fund. Monies from the WSRA may be used to identify water supply needs in each river basin, evaluate available water supplies in each basin, build projects or implement other solutions to meet water supply needs in each of Colorado's river basins.

The WSRA is administered by the Intrastate Water Management and Development section of the Colorado Water Conservation Board in collaboration with the Interbasin Compact Committee (IBCC) and the nine Basin Roundtables established under H.B. 05-1177 (Section 37-75-104, C.R.S.). Requests for funding begin at the Basin Roundtables and are subsequently forwarded to the CWCB.

Staff recommends the Department request for a continuation appropriation of \$470,464 cash funds (CWCB Construction Fund) for continuing work on the SWSI project.

Federal Emergency Management Assistance

This is a federally funded program that provides flood plain mapping and information about flood prevention. In FY 2005-06, via the Decision Item process, the CWCB received an increase of \$99,248 for additional moneys for flood plain mapping and flood prevention services. These additional moneys cover costs for 1.0 FTE (funded 25/75 with state and federal funds).

The FTE for the Map Modernization Program functions as Colorado's Map Modernization Coordinator. The FTE serves the State for the execution of the program management and related mapping needs. The Colorado Map Modernization Coordinator handles day-today issues, and coordinates and provides valuable input to FEMA and the overall mapping process in addition to serving the needs of Colorado communities to ensure high quality mapping products. The Map Modernization Coordinator is the main point of contact for the State for all map modernization related activities in Colorado.

The FTE for the Community Assistance Program serves as the State Coordinator for the National Flood Insurance Program (NFIP) and has numerous responsibilities related to NFIP performance measurement, community assistance visits, ordinance assistance, community information system, floodplain mitigation strategies, education and outreach, technical assistance, Community Rating System (CRS) support, mapping coordination assistance, intra- and inter-state coordination, and other related activities. The position also serves as the State Hazard Mitigation Officer in the event of a federally declared flood disasters, and has a primary responsibility as the CWCB representative within Disaster Field Offices when they become active.

Staff recommends the Department request for continuation funding for this line item totaling \$143,928 (\$13,732 CWCB Construction Fund and \$130,196 federal funds) and 2.0 FTE.

Weather Modification

Sections 36-20-101 through 127, C.R.S., authorize the Department to regulate weather modification activities. Cash funds support the line item, through a portion of a minimum \$100 fee charged for a weather modification permit. If the operation is a commercial project, Section 36-20-113, C.R.S. provides that the fee shall be sufficient to pay the direct costs of the review of the permit application. Division staff report this is typically 2.0 percent unless waived by the Director.

Colorado has had weather modification operations and research conducted in the State since the 1950s and there has been a program to permit weather modification since 1972. After the

significant drought that began in early 2000, many new weather modification permits have been developed. Administration of Colorado's Weather Modification Permit Program is the responsibility of the Executive Director of the Department of Natural Resources. This responsibility was delegated to the Director of the Colorado Water Conservation Board in 1987. In 1996, the General Assembly decided that the State should continue to issue permits in order to monitor and keep the public informed about weather modification activity. While weather modification licenses were eliminated, the qualifications for operating a weather modification program were made part of the permitting process. The Weather Modification program resides within the Flood Protection Section of the CWCB. The Weather Modification program has the spending authority for up to \$25,000, but can only spend the amount of funds collected in fees for the permits.

This line item reflects costs incurred in administering activities such as cloud seeding for agricultural lands. These regulatory functions include: conducting required public hearings, evaluating annual reports from operators, revising permits as necessary, and evaluation of the environmental and public safety impact of the permit requests. In FY 2004-05, spending for this line item was increased to accommodate a large number of new winter cloud seeding operations. Weather modification programs provide benefits to various industries that affect the Colorado economy. Additional snow pack created by cloud seeding can extend the ski season and can increase stream flow for rafting, boating, fishing and wildlife.

Staff recommends the Department request fort continuation funding for this line item totaling \$25,000 from permit fees authorized pursuant to Section 36-20-113 (1), C.R.S.

Water Conservation Program

Section 37-60-124, C.R.S. established the Office of Water Conservation and Drought Planning (OWCDP) to promote water use efficiency and authorizes the program's support from the Water Conservation Board Construction Fund. This line item funds the costs of administering municipal and agricultural grants and the provision of technical and financial assistance pursuant to statute. The OWCDP also promotes drought planning by encouraging and assisting communities to prepare and implement drought mitigation plans and by monitoring drought impacts and informing the public, media, and state officials.

In 2004, the General Assembly passed HB 1365, which enhances the elements that must be considered by a covered entity when creating a water conservation plan amended the Water Conservation Act of 1991. This provision established water savings goals and provided a better indication to the overall effectiveness of the entities water conservation plan. In addition, the CWCB began to participate in drought mitigation planning and created a new grant mechanism from the severance tax operational account to allow water entities to apply for grants to assist them with water conservation and drought planning activities. On July 1, 2005, the CWCB began to accept applications under HB 04-1365 for water conservation planning grants to provide financial assistance to covered entities.

In 2005, the General Assembly adopted House Bill 1254 that created the Water Efficiency Grant Program Cash Fund, which is administered by the Colorado Water Conservation Board and this Program.

Other activities for the Program include:

- Researching drought analysis and planning techniques, surveying water users to determine the extent of drought planning,
- Compiling drought histories for each river basin, developing drought response options, conducting conferences on drought, and drought fact sheets and planning documents.
- Chairing or attending meetings of the Water Availability Task Force.
- Providing technical and financial assistance to covered entities and other water providers.
- Reviewing water conservation and drought mitigation plans to determine if they meet statutory requirements.
- Administration of grant programmed designed to increase the quality and quantity of drought and conservation planning at the local level.
- Continuation of active demonstration projects, review project progress, analysis and documentation of benefits from projects activities.

Staff recommends the Department request for continuation funding totaling \$285,166 CWCB Construction Fund and 4.0 FTE.

H.B. 05-1254 Water Efficiency Grant Program Water Efficiency Grant Program

The Water Conservation Act of 2004, adopted by the 2004 Colorado General Assembly under HB04-1365, not only expanded the responsibilities of the Office of Water Conservation and Drought Planning (OWCDP) to include providing technical assistance for drought planning, but it also added additional plan elements required for all water conservation plans submitted for State approval. Following on the heels of the 2002 drought, the legislature recognized the need to provide a strong incentive for conservation and drought planning. Thus, the Legislature created a mechanism for the Colorado Water Conservation Board, through the OWCDP, to provide grant monies for water conservation and drought mitigation planning.

The Water Efficiency Grant Program offers financial assistance, in the form of grants, to covered entities to aid in implementing their water conservation plan goals and programs identified in their locally adopted water conservation plans. The Program also gives grants to help agencies promote the benefits of water efficiency through public education and outreach programs. The Water Efficiency Grant Program provides financial assistance to covered entities and qualifying agencies that are seeking to perform or promote more meaningful water conservation statewide.

House Bill 05-1254 established the Water Efficiency Grant Program (WEGF). In FY 2009-10, S.B. 10-025 extended the WEGF until July 1, 2020. S.B. 10-025 authorized annual transfers of up to \$550,000 for FY 2012-13 through FY 2019-20 from the Operational Account of the Severance Tax Trust Fund (Section 39-29-109.3 (2) (c), C.R.S.) to the program cash fund (Section 37-60-126 (12) (a), C.R.S.). Of this funding, up to \$50,000 is to be used for administrative costs and up to \$500,000 for grants. Any funds that remain in the cash fund on June 30, 2020, must be transferred back to the Operational Account of the Severance Tax Trust Fund. In FY 2007-08, S.B. 07-008 appropriated an additional \$82,749 and 1.0 FTE to the CWCB from the WEGF cash fund. Under S.B. 09-125, a funding change was made. Funding out of the Severance Tax Operational Account (Section 19) for the Water Efficiency Grant Fund was

reduced by \$100,000 and was refinanced in the same bill (Section 19) with \$100,000 out of the Construction Fund.

Staff recommends the Department request for continuation funding totaling \$598,788 (\$498,788 Water Efficiency Grant Program Cash Fund and \$100,000 CWCB Construction Fund) and 1.0 FTE.

Severance Tax Fund

This line item is used to support short-term projects with funds from the Operational Account of the Severance Tax Trust Fund. The CWCB annually solicits applications for projects to be funded from this line item from agency initiatives and grant requests submitted by other parties. Proposals are forwarded to the state Minerals, Energy, and Geology Policy Advisory Board (MEGA) for review and approval. MEGA Board recommendations are forwarded to the CWCB Board and the DNR Executive Director for review and approval. DNR includes approved projects in its budget request.

The projects include the following types of activities: groundwater studies, production of maps, water conservation facilitation, educational information, water infrastructure development, environmental protection, stream restoration, and flood hazard mitigation. Examples of prior year projects include water supply protection (regional planning, coal bed methane technical studies, groundwater atlas), water conservation planning (drought planning and water education projects), and flood protection program funding (Grand Junction Drainage District master plan, Poudre River floodway improvements, and Fountain Creek watershed plan).

Staff notes that in prior years the Committee has flagged this line item in case of a need for additional budget balancing.

Staff recommends the Department request for continuation funding totaling \$1,275,500 cash funds from the Operational Account of the Severance Tax Trust Fund (Section 39-29-109.3 (1) (d), C.R.S.) for this line item.

Interbasin Compacts

House Bill 05-1177 Negotiation of Interbasin Compacts created nine permanent basin roundtables to develop a common understanding of existing water supplies and future water supply needs and demands throughout Colorado, and possible means of meeting those needs. To help accomplish this goal, local interest groups and water experts were assembled in each of Colorado's eight major river basins including a sub-region in the metro area. These "Basin Roundtables" include municipal users, agricultural users, local governments, water conservation and conservancy districts, recreational and environmental interests, and the business community. The focus of the Basin Roundtable meetings is information exchange on water use and on consensus building. In FY 2007-08, all funding and 0.5 FTE from H.B. 05-1177 were transferred to the new line item called "Interbasin Compacts."

House Bill 06-1400 Interbasin Compacts was approved during the 2006 Legislative Session. This bill altered the boundaries that defined certain western slope basin roundtables and made an

appropriation from the Severance Tax Trust Fund to create the Office of Compact Negotiations. The appropriations for H.B. 05-1177 and H.B. 06-1400 were combined in FY 2007-08.

In FY 2008-09, the appropriation for this line item was increased by 2.0 FTE to assist in the implementation of the Water for the 21st Century Act and the Water Supply Reserve Account (created by Senate Bill 06-179). The funding for these 2.0 FTE and operating costs came from existing cash funds from the Interbasin Compact's line item in the CWCB.

Under H.B. 08-1398 (Severance Tax Operational Account transfers), the appropriation for operation of the Interbasin Compact Committee and the associated roundtables was enrolled in statute (Section 37-75-107, C.R.S.) and an Interbasin Compact Committee Fund was created. The fund receives annual transfers from the Operational Account (Section 39-29-109.3 (2)(i), C.R.S.). Under S.B. 09-129 Severance Tax Operation Account (section 22) was reduced by \$400,000 and was backfilled in the same bill (section 19) with \$400,000 out of the Construction Fund.

Staff recommends the Department request for continuation funding totaling \$1,141,167 (\$741,167 Interbasin Compact Committee Operation Fund and \$400,000 CWCB Construction Fund) and 3.7 FTE.

Platte River Basin Cooperative Agreement

Colorado became a participant in The Platte River Basin Endangered Species Cooperative in 1997. The Cooperative Agreement is a three-year agreement signed by the governors of Wyoming, Colorado, and Nebraska and by the Secretary of the Interior to address the protection and restoration of various endangered species habitats along the North Platte River. The appropriation supports 1.0 FTE and contractual personal services for ongoing administration of the program and Colorado's portion of contract technical support.

Staff recommends the Department request for continuation funding totaling \$231,534 (Fish and Wildlife Resources Funds) and 1.0 FTE.

S.B. 02-87 Colorado Watershed Protection Fund

Senate Bill 02-87 created income tax check off to allow citizens to support local watershed efforts by making a voluntary contribution. **Staff recommends the Department request for continuation funding totaling \$119,942 (Colorado Healthy Rivers Fund).**

H.B. 12-1278 South Platte Alluvial Aquifer Study

The bill requires the Colorado Water Conservation Board (CWCB) in consultation with the State Engineer and the Colorado Water Institute, to conduct a comprehensive study to compile and evaluate available historical hydrologic data in the South Platte River Basin. The bill directs the CWCB to contract with the Colorado Water Institute, which will conduct the study independently. The results of the study must be reported to the General Assembly by December 31, 2013. The bill appropriated \$910,900 cash funds (CWCB Construction Fund) to the Colorado Water Conservation Board for the implementation of the bill. **Staff recommends zeroing out the appropriation for this line.**

Indirect Cost Assessment

The Department requests \$501,575 total funds, including \$491,158 cash funds from the CWCB Construction Fund, for the CWCB Indirect Cost Assessment line item. Staff recommends the Committee approve the Department request. This appropriation will be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. **Staff recommends the Department request.**

Colorado Water Conservation Board, Special Purpose, Indirect Cost Assessment

Indirect Cost Assessment				
	Total Funds	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	<u>529,663</u>	<u>514,757</u>	<u>14,906</u>	<u>0.0</u>
TOTAL	\$529,663	\$514,757	\$14,906	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$529,663	\$514,757	\$14,906	0.0
Base Indirect Costs Adjustments	<u>(28,088)</u>	<u>(23,599)</u>	<u>(4,489)</u>	<u>0.0</u>
TOTAL	\$501,575	\$491,158	\$10,417	0.0
Increase/(Decrease)	(\$28,088)	(\$23,599)	(\$4,489)	0.0
Percentage Change	(5.3%)	(4.6%)	(30.1%)	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Water Construction Fund Bill

This line item is shown in the JBC staff numbers pages for informational purposes only. It reflects the appropriation made in the annual water construction fund bill (S.B. 12S-002).

(8) Water Resources Division

This division, also called the Office of the State Engineer, is created in Section 37-80-101, C.R.S., and is primarily responsible for administration of water resources, which includes the following functions:

- Daily oversight of allocation within the state and downstream interstate compact compliance, monitoring of water supply through stream flow measurements, and groundwater regulation.
- Ensuring public safety through regulating dam safety and groundwater well construction.
- Oversees seven field offices that monitor and distribute water based on priority, as well as ensure dam safety. Activities performed include dam inspections, well permitting, community education and involvement, consultation with water suppliers and conservation districts, and ongoing administration of interstate compacts and federal decrees.
- Collects, preserves, and provides current and historic water records and information.

The Water Resources Division receives 100.0 percent (including potted items) of the Department's total General Fund appropriation. The majority of the Division's General Fund appropriation is attributable to personal services costs.

The table below shows the Department's estimate of FY 2012-13 expenditures related to its Personal Services and Operating Expenses line items by program area. Staff notes that the table includes moneys appropriated for WRD through centrally appropriated line items in the EDO.

Water Resources Division Estimated Expenditures FY 2012-13				
Personal Services and Operating Expenses				
Program Area:	FTE	Personal Services	Operating	Total
Water Administration	227.1	20,155,123	989,224	21,144,347
Public Safety Programs	0.0	0	0	0
Dam Safety	12.0	1,377,200	220,300	1,597,500
<u>Well Inspection</u>	<u>3.0</u>	<u>230,500</u>	<u>41,300</u>	<u>271,800</u>
Total:	242.1	21,762,823	1,250,824	23,013,647

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Water Resources Division					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	20,372,118	18,653,843	1,546,537	171,738	251.1
SB 12S-002 CWCB Projects Bill	375,857		375,857	0	0.0
Other legislation	228,047	228,047	0	0	0.0
SB 13-098 NAT FY 13 Supplemental	<u>75,857</u>	<u>75,857</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$21,051,879	\$18,957,747	\$1,922,394	\$171,738	252.1

JBC Staff Figure Setting – FY 2013-14
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FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$21,051,879	\$18,957,747	\$1,922,394	\$171,738	252.1
R-3 WRD Line Item Consolidation	0	0	0	0	0.0
R-4 WRD Satellite Monit. System	100,000	0	100,000	0	0.0
R-10 EDO OIT Staffing Correction	75,857	75,857	0	0	1.0
Base Indirect Costs Adjustments	(1,979)	0	259	(2,238)	0.0
Base Federal Funds Adjustments	27,000	0	0	27,000	0.0
Base Annualization S.B. 12S-002	(375,857)	0	(375,857)	0	0.0
Base Annualization Other Bills	(303,904)	(303,904)	0	0	(1.0)
TOTAL	\$20,572,996	\$18,729,700	\$1,646,796	\$196,500	252.1
Increase/(Decrease)	(\$478,883)	(\$228,047)	(\$275,598)	\$24,762	0.0
Percentage Change	(2.3%)	(1.2%)	(14.3%)	14.4%	0.0%
FY 2013-14 Executive Request:	\$20,572,996	\$18,729,700	\$1,646,796	\$196,500	252.1
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Issue Descriptions

R-3 WRD Line Item Consolidation: The recommendation consolidates the 12 line items that the Water Resources Division is currently funded through into eight total line items organized in two sub-divisions: Operations and Special Purpose.

R-4 WRD Satellite Monitoring System: The recommendation provides \$100,000 cash funds from the Satellite Monitoring System Cash Fund to meet increasing operational expenses including maintenance, technological improvements, and possibly and expansion of the Satellite Monitoring System.

R-10 EDO OIT Staffing Correction: The recommendation corrects two errors made during the FY 2010-11 Office of Information Technology (OIT) consolidation.

Base Indirect Costs Adjustments: The recommendation includes a decrease of \$1,979 total funds for the Department's FY 2013-14 indirect cost assessment. For additional information on the Department's indirect cost assessment methodology see *Appendix A*.

Base Federal Funds Adjustments: The recommendation includes an anticipated increase of \$27,000 federal funds from grants in the Water Resources Divisions.

➔ Request R-3 WRD Line Item Consolidation

The Water Resources Division (WRD) is re-submitting a request from FY 2012-13 that was not approved to consolidate its budget appropriation and re-organize the structure of the budget. The Division is currently funded through 12 line items and proposes consolidating its budget into 8 total line items, organized in two groups. The Division believes that this consolidation will allow it to manage its budget in a more efficient and flexible manner, without a loss to budgetary transparency.

JBC Staff Figure Setting – FY 2013-14
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The Department states that the 12 line items currently appropriated to DWR have evolved historically as specific programmatic responsibilities have been added over time to the Division's overall statutory mission. The Division feels that the duties and oversight responsibilities embodied by the existing lines can be represented by a slightly smaller group of line items.

Please see the table below for a detailed layout of the Department proposal.

**Request-3. Division of Water Resources Line Item Consolidation.
Department Proposal.**

1) Current Line Items	FY 12-13 Base Request	FTE	→	2) Proposed Consolidation	Adjusted Base Request	FTE	→	3) Proposed Final Long Bill Format	Adjusted Base Request	FTE
Personal Services	17,652,932	243.1	}	Water Administration	19,162,021	245.1	}			
Operating Expenses	1,430,824	0.0								
Interstate Compacts	76,002	0.0								
Republican River Compact Compliance	316,364	5.0								
Augmentation for Sand/Gravel Extraction	44,400	0.0								
SB 04-225 Well Enforcement	1,489	0.0								
			New Line	Well Inspection	359,990	3.0				
Satellite Monitoring System	399,857	2.0	→	Satellite Monitoring System	399,857	2.0	→			
Federal Grant	167,260	0.0	→	Federal Grant	167,260	0.0	→			
River Decision Support Systems	206,232	2.0	→	River Decision Support Systems	206,232	2.0	→			
Dam Emergency Repair	50,000	0.0	→	Dam Emergency Repair	50,000	0.0	→			
HB 03-1334 Temp Water Supp Agreements	61,589	0.0	→	HB 03-1334 Temp Water Supp Agreements	61,589	0.0	→			
Indirect Cost Assessment	29,598	0.0	→	Indirect Cost Assessment	29,598	0.0	→			
Total:	20,436,547	252.1		Total:	20,436,547	252.1		Total:	20,436,547	252.1

The Division proposes the following adjustments to its existing line items:

- 1) Consolidating the existing Personal Services, Operating Expenses, Interstate Compacts, Republican River Compact Compliance, Augmentation for Sand and Gravel Extraction, and SB04-225 Well Enforcement line items into a proposed new line item called Water Administration. The Department states that the activities covered by these current line items all fall within the definition of Water Administration.
- 2) Creating a new Well Inspection line item. The inspection of groundwater wells is one of the four core responsibilities of the Division, along with water right administration, dam safety inspection, and intrastate compact compliance. This program is 100% cash funded, in the form of fees collected for well inspections statewide. This cash funding was previously intermingled with General Fund in the Personal Services and Operations lines. Reorganizing the program into its own line item will help clearly delineate it as a key program area.
- 3) The Federal Grants, Satellite Monitoring System, River Decision Support System, Temporary Interruptible Water Supply Agreements, Dam Emergency Repair, and Indirect Cost Assessment line items will remain fundamentally unchanged, but will be reorganized into new Long Bill groups.
- 4) The 8 resulting lines will then be organized into two main Long Bill groups: Division Operations and Special Purpose.

House Bill 10-1119 (SMART Act)

The SMART Act states that if a department submits a plan approved by the Office of State Planning and Budgeting to consolidate line items, the JBC "shall consider" such plan. The allowable purposes for proposed consolidations pursuant to H.B. 10-1119 are, "to improve budgetary efficiency or administrative flexibility". The SMART Act does not require the Joint Budget Committee to recommend such plans to the General Assembly.

All other things being equal, the JBC staff typically recommend options that preserve legislative control over the budget, most clearly express legislative intent, and maximize the transparency of the legislative budget process. In his analysis, JBC staff will be looking for a clear case that: (1) Consolidation is necessary; and (2) The benefits outweigh the loss of legislative control, expression of legislative intent, and transparency.

A desire by the executive branch for consistent treatment of line items in a department, division, or program is not sufficient justification for consolidating line items. There is great diversity in how line items are treated in the budget bill, this indicates that the General Assembly has historically decided whether to consolidate or separate line items on a case by case basis.

Following are common questions that JBC staff will consider in deciding whether to recommend consolidating line items:

- 1) Has the department demonstrated a problem with the current appropriations that results in inefficiencies?

- 2) Has the department made a business case that greater administrative flexibility will improve operations?
- 3) Has the department identified strong performance measures by which the effectiveness of the program can be assessed?
- 4) Is there a known reason why the line items were separated in the first place?
- 5) How big are the line items that will be consolidated, and what are the fund sources?
- 6) Will detailed information about expenditure patterns still be available after the consolidation?
- 7) Have there been large reversions from the line items?

The above questions were used last year when staff analyzed requests for consolidation of line items. The Department provided responses to the questions posed by staff with its change request this year. Staff has included the responses as *Appendix B*.

Staff Analysis

One of the Department's Main objectives is to achieve more funding flexibility without requiring additional funding sources. The easiest way to achieve that is to merge line items with similar purposes.

Another of the Department's main stated objectives is to consolidate lines that, over time, were added as separate line items as new responsibilities were added to the Division of Water Resources. The Division feels that the duties and oversight responsibilities embodied by the existing lines can be presented by a smaller group of lines.

Merging water administration lines into one program line will provide flexibility for the department to target its budget for the most pressing needs in water administration. The Department states that water management can be as unpredictable as the weather. The ability to allocate funding in direct response to changing circumstances and emerging priorities will increase DWR's efficiency. The Division gives two particular examples:

- 1) In years in which Colorado experiences heavy precipitation, DWR frequently hires additional temporary water commissioners to help manage the higher-than-usual workload. Currently, this increased cost can come out of the Division's existing Personal Services line. However, recent cuts to this have limited this as an option. The Department points to a FY 10 cut that reduced water commissioner staff by 5.3 positions and reduced \$413,000 General Fund from the Division's budget, in addition to several other smaller operating cuts. Under the proposed new scenario, DWR leadership could choose to prioritize water commissioner duties over other planned expenditures and allocate funding as needed.
- 2) Vehicles are critical for several of the Division's core functions, including water right administration by water commissioners, dam safety inspection, and well inspection and

administration. State-owned vehicles are used by approximately 100 DWR staff in the routine performance of job duties. In order to accomplish these and other work duties, the DWR staff drives approximately 2.1 million miles annually. The Department states that the continuing escalation in fuel prices, coupled with rising vehicle maintenance and self-insurance costs, have resulted in a significant increase to the Division's variable operating expenses for state-owned vehicles. It is unlikely that the Division will receive increased General Fund appropriations in the current budget environment. Under the proposed new scenario, Division leadership would have the flexibility to allocate funding within the Water Administration line as needed to provide sufficient vehicle operating costs.

The major change to the layout of the Division of Water Resources is the proposal to merge all water administration related lines, including the personal services and operating expenses line items into one water administration line. This will provide the Division the flexibility to spend approximately \$19.2 million on priorities as mentioned above.

The Department's third most important overarching objective in its strategic plan involves maximizing the efficient use of Colorado's water resources in compliance with interstate compacts. In addition, the Division has four additional objectives in its Division strategic plan, these objectives are:

- 1) Optimize the availability of water supplies in time, place and amount by successive reuse of water;
- 2) Assure the effective distribution and compliance with applicable water laws;
- 3) Inspect dams using the risk-based profiling system. Maintain emergency action plans for all high and significant hazard dams; and
- 4) Assure proper well construction via a robust inspection program.

In addition to re-submitting the request, the Department has provided answers to five questions asked by the Committee during the FY 2012-13 figure setting process. These responses are attached as *Appendix C* at the end of this briefing document.

Staff recommendation on Request-3 WRD Line Item Consolidation: Based on the information provided by the Department, staff believes that the new merged structure will provide the Department flexibility to manage to its appropriation while reflecting the programmatic structure of the Department. Staff recommends the Committee approve this request.

➔ Request R-4 WRD Satellite Monitoring System

The Water Resources Division requests \$100,000 cash funds (Satellite Monitoring System Cash Fund) for maintenance, technological improvements, and possibly an expansion of the system.

The Satellite Monitoring System (SMS) supports satellite linked water resources monitoring stations throughout the state. The system provides real-time stream flow information that is used by the Division, consumptive water users, and other interested persons such as rafters and

anglers. The information is accessible via computer, telephone, and internet. The program is funded through voluntary fees from local water conservancy districts, water users, user associations, and municipalities pursuant to Section 37-80-111.5, C.R.S.

Over the years, the cash fund has started to accrue a balance as a result of an effort by the Division to increase the number of cooperators paying to voluntary fees. The Division is estimating an end of year cash balance for FY 2013-14 of \$125,000 (if the request for additional funding is not approved).

The Division will use the additional funds to pay for operations and maintenance on the system. This includes spare inventory for gage failures, repair discharge hydraulic measurement equipment, and additional mileage to service the added gages. Stage sensing equipment using older technology will be replaced with newer technology (radar water level sensors). The Division states that similar replacements have resulted in improved stage data at mainstream South Platte and Arkansas River gages in eastern Colorado. In addition, the Division anticipates replacing older data collection platforms on current schedules (8-10 years) rather than forcing the use of older technology platforms that do not operate reliably.

Staff recommendation on Request-4 WRD Satellite Monitoring System: Staff recommends the Committee approve the Department request.

LINE ITEM DETAIL

Existing Structure

Staff is recommending the Department request to consolidate its line items into a new structure. For this reason, staff will include a discussion about line items in the "Existing Structure" category of the numbers pages to show the line items being zeroed out.

Personal Services

Staff Recommendation: This line item is being zeroed out pursuant to Department Request-3 and will be appropriated under a new funding structure in (A) Division Operations, Water Administration line item.

Water Resources Division, Existing Structure, Personal Services

	Personal Services			
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	17,488,503	16,975,193	513,310	242.1
SB 12S-002 CWCB Projects Bill	75,857	0	75,857	0.0
Other legislation	228,047	228,047	0	0.0
SB 13-098 NAT FY 13 Supplemental	<u>75,857</u>	<u>75,857</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$17,868,264	\$17,279,097	\$589,167	243.1

JBC Staff Figure Setting – FY 2013-14
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Personal Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$17,868,264	\$17,279,097	\$589,167	243.1
R-3 WRD Line Item Consolidation	(17,488,503)	(16,975,193)	(513,310)	(242.1)
Base Annualization S.B. 12S-002	(75,857)	0	(75,857)	0.0
Base Annualization Other Bills	<u>(303,904)</u>	<u>(303,904)</u>	<u>0</u>	<u>(1.0)</u>
TOTAL	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$17,868,264)	(\$17,279,097)	(\$589,167)	(243.1)
Percentage Change	(100.0%)	(100.0%)	(100.0%)	(100.0%)
FY 2013-14 Executive Request:	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Operating Expenses

Staff Recommendation: This line item is being zeroed out pursuant to Department Request-3 and will be appropriated under a new funding structure in (A) Division Operations, Water Administration line item.

Water Resources Division, Existing Structure, Operating Expenses

Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	1,530,824	1,091,316	439,508	0.0
Other legislation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,530,824	\$1,091,316	\$439,508	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,530,824	\$1,091,316	\$439,508	0.0
R-3 WRD Line Item Consolidation	<u>(1,530,824)</u>	<u>(1,091,316)</u>	<u>(439,508)</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$1,530,824)	(\$1,091,316)	(\$439,508)	0.0
Percentage Change	(100.0%)	(100.0%)	(100.0%)	0.0%
FY 2013-14 Executive Request:	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Interstate Compacts

The United States government, pursuant to interstate compact agreements, assesses the Costilla Creek Compact administrative costs. Pursuant to statute, both the Division of Water Resources and the Water Conservation Board participate in various capacities in interstate water compacts and related associations. The interstate organizations were established to promote communication between state and federal agencies, in support of compact agreements. This line item supports compact dues as well as travel and other expenses associated with the State

Engineer and/or his designate(s)' representation of Colorado at the various compact commissions.

Staff Recommendation: This line item is being zeroed out pursuant to Department Request-3 and will be appropriated under a new funding structure in (A) Division Operations, Water Administration line item.

Water Resources Division, Existing Structure, Interstate Compacts

Interstate Compacts			
	Total Funds	General Fund	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	<u>76,002</u>	<u>76,002</u>	<u>0.0</u>
TOTAL	\$76,002	\$76,002	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$76,002	\$76,002	0.0
R-3 WRD Line Item Consolidation	<u>(76,002)</u>	<u>(76,002)</u>	<u>0.0</u>
TOTAL	\$0	\$0	0.0
Increase/(Decrease)	(\$76,002)	(\$76,002)	0.0
Percentage Change	(100.0%)	(100.0%)	0.0%
FY 2013-14 Executive Request:			
Request Above/(Below) Recommendation	\$0	\$0	0.0

Republican River Compact Compliance

This line item shows part of the funds appropriated to the Department for staff to work on the Republican River Compact in order to fulfill Colorado's obligations under the Republican River Compact and the Final Settlement Stipulation, approved on December 15, 2002, by the United States Supreme Court in *Kansas v. Nebraska and Colorado*, No. 126 Original. The Department also utilizes funding in its Personal Services and Operating Expenses line items for Republican River Compact Compliance. The Republican River Compact was ratified in 1942 by the states of Colorado, Kansas, and Nebraska to provide an equitable mechanism to divide the water tributary to the Republican River Basin. The historical allocation of available waters among the three states is based on the application of beneficial use, which included both stream flow diversions and alluvial groundwater pumping. Interim decisions by the Special Master in the case who was appointed to hear the interstate lawsuit and the Final Settlement Stipulation approved by the U.S. Supreme Court, expanded the contributory sources of water supply (Stream flow and alluvial ground water) used in the calculation of each state's consumptive use and compact compliance to include ground water stored in the Ogallala aquifer. Prior to this decision to include this ground water, Colorado's 30,000 acre-feet consumptive use per year was less than the 54,100 acre-feet allocation under the compact. However, including the consumptive use from all ground water wells, combined with the seven year drought in the eastern high plains has caused Colorado to exceed its Republican River Compact allocations. The Final Settlement Stipulation requires Colorado to perform numerous tasks to ensure compliance with the compact and Supreme Court

decision. In FY 2008-09, the Committee funded a Department request to increase staffing for the program and implement a well measurement program.

Staff Recommendation: This line item is being zeroed out pursuant to Department Request-3 and will be appropriated under a new funding structure in (A) Division Operations, Water Administration line item.

Water Resources Division, Existing Structure, Republican River Compact Compliance

Republican River Compact Compliance			
	Total Funds	General Fund	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	316,364	316,364	5.0
TOTAL	\$316,364	\$316,364	5.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$316,364	\$316,364	5.0
R-3 WRD Line Item Consolidation	(316,364)	(316,364)	(5.0)
TOTAL	\$0	\$0	0.0
Increase/(Decrease)	(\$316,364)	(\$316,364)	(5.0)
Percentage Change	(100.0%)	(100.0%)	(100.0%)
FY 2013-14 Executive Request:			
Request Above/(Below) Recommendation	\$0	\$0	0.0

Satellite Monitoring System

Staff Recommendation: This line item is being zeroed out pursuant to Department Request-3 and will be appropriated under a new funding structure in (A) Division Operations, Water Administration line item.

Water Resources Division, Existing Structure, Satellite Monitoring System

Satellite Monitoring System				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	399,857	194,968	204,889	2.0
TOTAL	\$399,857	\$194,968	\$204,889	2.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$399,857	\$194,968	\$204,889	2.0
R-3 WRD Line Item Consolidation	(399,857)	(194,968)	(204,889)	(2.0)
TOTAL	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$399,857)	(\$194,968)	(\$204,889)	(2.0)
Percentage Change	(100.0%)	(100.0%)	(100.0%)	(100.0%)
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Augmentation of Water for Sand and Gravel Extraction

This line item supports contracts for the evaluation of augmentation plans for extraction of sand and gravel, which are required by Section 37-90-137 (11) (a) and (b), C.R.S. Sand and gravel pit owners (applicants) must submit water augmentation plans. By statute, these plans must be reviewed by the Water Resources Division. Fees are collected from applicants obtaining a well permit for exposing ground water in the process of sand and gravel extraction. House Bill 06-1293 increased fees charged for obtaining a groundwater pumping permit, reactivating a mining operation, reviving an approved but expired water supply plan, and resubmitting a disapproved substitute water supply plan. The bill also increased fees for renewing a groundwater well pumping permit.

Staff Recommendation: This line item is being zeroed out pursuant to Department Request-3 and will be appropriated under a new funding structure in (A) Division Operations, Water Administration line item.

Water Resources Division, Existing Structure, Augmentation of Water for Sand and Gravel Extraction

Augmentation of Water for Sand and Gravel Extraction			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	44,400	44,400	0.0
Other legislation	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$44,400	\$44,400	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$44,400	\$44,400	0.0
R-3 WRD Line Item Consolidation	<u>(44,400)</u>	<u>(44,400)</u>	<u>0.0</u>
TOTAL	\$0	\$0	0.0
Increase/(Decrease)	(\$44,400)	(\$44,400)	0.0
Percentage Change	(100.0%)	(100.0%)	0.0%
FY 2013-14 Executive Request:	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

Dam Emergency Repair

Staff Recommendation: This line item is being zeroed out pursuant to Department Request-3 and will be appropriated under a new funding structure in (B) Special Purpose, Dam Emergency Repair line item.

Water Resources Division, Existing Structure, Dam Emergency Repair

Dam Emergency Repair			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	<u>50,000</u>	<u>50,000</u>	<u>0.0</u>
TOTAL	\$50,000	\$50,000	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$50,000	\$50,000	0.0
R-3 WRD Line Item Consolidation	<u>(50,000)</u>	<u>(50,000)</u>	<u>0.0</u>
TOTAL	\$0	\$0	0.0
Increase/(Decrease)	(\$50,000)	(\$50,000)	0.0
Percentage Change	(100.0%)	(100.0%)	0.0%
FY 2013-14 Executive Request:			
Request Above/(Below) Recommendation	\$0	\$0	0.0

Federal Grant

Staff Recommendation: This line item is being zeroed out pursuant to Department Request-3 and will be appropriated under a new funding structure in (A) Division Operations, Federal Grant line item.

Water Resources Division, Existing Structure, Federal Grant

Federal Grant			
	Total Funds	Federal Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	<u>167,260</u>	<u>167,260</u>	<u>0.0</u>
TOTAL	\$167,260	\$167,260	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$167,260	\$167,260	0.0
R-3 WRD Line Item Consolidation	(194,260)	(194,260)	0.0
Base Federal Funds Adjustments	<u>27,000</u>	<u>27,000</u>	<u>0.0</u>
TOTAL	\$0	\$0	0.0
Increase/(Decrease)	(\$167,260)	(\$167,260)	0.0
Percentage Change	(100.0%)	(100.0%)	0.0%
FY 2013-14 Executive Request:			
Request Above/(Below) Recommendation	\$0	\$0	0.0

River Decision Support Systems

Staff Recommendation: This line item is being zeroed out pursuant to Department Request-3 and will be appropriated under a new funding structure in (A) Division Operations, River Decision Support Systems line item.

Water Resources Division, Existing Structure, River Decision Support Systems

River Decision Support Systems			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	<u>206,232</u>	<u>206,232</u>	<u>2.0</u>
TOTAL	\$206,232	\$206,232	2.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$206,232	\$206,232	2.0
R-3 WRD Line Item Consolidation	<u>(206,232)</u>	<u>(206,232)</u>	<u>(2.0)</u>
TOTAL	\$0	\$0	0.0
Increase/(Decrease)	(\$206,232)	(\$206,232)	(2.0)
Percentage Change	(100.0%)	(100.0%)	(100.0%)
FY 2013-14 Executive Request:			
Request Above/(Below) Recommendation	\$0	\$0	0.0

H.B. 03-1334 Temporary Interruptible Water Supply Agreement

Staff Recommendation: This line item is being zeroed out pursuant to Department Request-3 and will be appropriated under a new funding structure in (B) Special Purpose, H.B. 03-1334 Temporary Interruptible Water Supply Agreement line item.

Water Resources Division, Existing Structure, H.B. 03-1334 Temporary Interruptible Water Supply Agreements

H.B. 03-1334 Temporary Interruptible Water Supply Agreements			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	61,589	61,589	0.0
Other legislation	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$61,589	\$61,589	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$61,589	\$61,589	0.0
R-3 WRD Line Item Consolidation	<u>(61,589)</u>	<u>(61,589)</u>	<u>0.0</u>
TOTAL	\$0	\$0	0.0
Increase/(Decrease)	(\$61,589)	(\$61,589)	0.0
Percentage Change	(100.0%)	(100.0%)	0.0%
FY 2013-14 Executive Request:			
Request Above/(Below) Recommendation	\$0	\$0	0.0

S.B. 04-225 Well Enforcement

Pursuant to S.B. 04-225 (Sen. Hillman / Rep. Hoppe). This bill authorized the state engineer and ground water management districts to issue well permit enforcement orders to facilitate administration of designated ground water, including a requirement to provide records of energy used to pump ground water. This bill also authorized the state engineer to seek court enforcement

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of such orders, and it created a well enforcement cash fund for penalties collected pursuant to the provisions of the bill. The fund is to be used for the investigation and enforcement of violations of orders or to regulate ground water. The fiscal note estimated that the bill could be implemented with existing staff. This line item covers travel expenses.

Staff Recommendation: This line item is being zeroed out pursuant to Department Request-3 and will be appropriated under a new funding structure in (A) Division Operations, Water Administration line item.

Water Resources Division, Existing Structure, S.B. 04-225 Well Enforcement

S.B. 04-225 Well Enforcement			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	1,489	1,489	0.0
Other legislation	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,489	\$1,489	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$1,489	\$1,489	0.0
R-3 WRD Line Item Consolidation	<u>(1,489)</u>	<u>(1,489)</u>	<u>0.0</u>
TOTAL	\$0	\$0	0.0
Increase/(Decrease)	(\$1,489)	(\$1,489)	0.0
Percentage Change	(100.0%)	(100.0%)	0.0%
FY 2013-14 Executive Request:			
Request Above/(Below) Recommendation	\$0	\$0	0.0

Indirect Cost Assessment

Staff Recommendation: This line item is being zeroed out pursuant to Department Request-3 and will be appropriated under a new funding structure in (B) Special Purpose, Indirect Cost Assessment line item.

Water Resources Division, Existing Structure, Indirect Cost Assessment

Indirect Cost Assessment				
	Total Funds	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	29,598	25,120	4,478	0.0
Other legislation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$29,598	\$25,120	\$4,478	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$29,598	\$25,120	\$4,478	0.0
R-3 WRD Line Item Consolidation	(27,619)	(25,379)	(2,240)	0.0
Base Indirect Costs Adjustments	<u>(1,979)</u>	<u>259</u>	<u>(2,238)</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	0.0

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Indirect Cost Assessment				
	Total Funds	Cash Funds	Federal Funds	FTE
Increase/(Decrease)	(\$29,598)	(\$25,120)	(\$4,478)	0.0
Percentage Change	(100.0%)	(100.0%)	(100.0%)	0.0%
FY 2013-14 Executive Request:	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Water Construction Fund Bill

This line item is included in the JBC staff numbers pages to reflect the cash funds spending authority to water projects from the Colorado Water Conservation Board Construction Fund established pursuant to Section 37-60-121 (1) (a), C.R.S. **This is not a line item in the Long Bill, as such, staff is not recommending an amount for FY 2013-14.** Rather, any potential appropriations for CWCB Construction Fund projects will be included in a special bill. Under the new structure, this line item will appear in staff numbers pages in the (B) Special Purpose section.

S.B. 12S-002 appropriated in FY 2011-12 \$300,000 CWCB Construction Fund for Satellite Monitoring System maintenance, staff is reducing this line by \$300,000 to reflect the annualization of the appropriation.

Water Resources Division, Existing Structure, Water Construction Fund Bill

Water Construction Fund Bill			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	0	0	0.0
SB 12S-002 CWCB Projects Bill	<u>300,000</u>	<u>300,000</u>	<u>0.0</u>
TOTAL	\$300,000	\$300,000	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$300,000	\$300,000	0.0
Base Annualization S.B. 12S-002	<u>(300,000)</u>	<u>(300,000)</u>	<u>0.0</u>
TOTAL	\$0	\$0	0.0
Increase/(Decrease)	(\$300,000)	(\$300,000)	0.0
Percentage Change	(100.0%)	(100.0%)	0.0%
FY 2013-14 Executive Request:	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

Proposed Structure

Staff is recommending the Department request R-3 to consolidate its line items into a new structure. For this reason, staff will include a discussion below about the new structure that will appear in the FY 2013-14 Long Bill.

(A) Division Operations

Water Administration

This is a new line item under the new Department structure as requested by the Department under R-3 WRD Line Item Consolidation. As laid out above, this line item will hold the appropriations of the following line items from the old Division structure:

- Personal Services;
- Operating Expenses;
- Interstate Compacts;
- Republican River Compact Compliance;
- Augmentation of Water for Sand and Gravel Extraction; and
- S.B. 04-255 Well Enforcement.

Staff recommendation: The staff recommendation is for \$19,174,566 total funds and 245.1 FTE, including \$18,534, 732 General Fund and \$639,834 cash funds from the Water Resources Cash Fund.

Water Resources Division, Division Operations, Water Administration

Water Administration				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$0	\$0	\$0	0.0
R-3 WRD Line Item Consolidation	19,098,709	18,458,875	639,834	244.1
R-10 EDO OIT Staffing Correction	<u>75,857</u>	<u>75,857</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$19,174,566	\$18,534,732	\$639,834	245.1
Increase/(Decrease)	\$19,174,566	\$18,534,732	\$639,834	245.1
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

R-3 WRD Line Item Consolidation: The recommendation consolidates the 12 line items that the Water Resources Division is currently funded through into eight total line items organized in two sub-divisions: Operations and Special Purpose.

R-10 EDO OIT Staffing Correction: The recommendation corrects two errors made during the FY 2010-11 Office of Information Technology (OIT) consolidation. This change request was discussed at length in the Executive Director's office, Purchase of Services from Computer Center line item and in the Division of Parks and Wildlife, State Park Operations line item.

Well Inspection

This is a new line item under the new Department structure as requested by the Department under R-3 WRD Line Item Consolidation. The table below shows that the Department spends resources already on a well inspection program. This is the attempt of the Department to show the program in its Long Bill structure.

Water Resources Division Estimated Expenditures FY 2012-13				
Personal Services and Operating Expenses				
Program Area:	FTE	Personal Services	Operating	Total
Water Administration	227.1	20,155,123	989,224	21,144,347
Public Safety Programs	0.0	0	0	0
Dam Safety	12.0	1,377,200	220,300	1,597,500
<u>Well Inspection</u>	<u>3.0</u>	<u>230,500</u>	<u>41,300</u>	<u>271,800</u>
Total:	242.1	21,762,823	1,250,824	23,013,647

Staff recommendation: Staff recommends total funding of \$358,873 cash funds (Well Inspection Cash Fund) and 3.0 FTE.

Water Resources Division, Division Operations, Well Inspection

Well Inspection			
	Total Funds	Cash Funds	FTE
R-3 WRD Line Item Consolidation	<u>358,873</u>	<u>358,873</u>	<u>3.0</u>
TOTAL	\$358,873	\$358,873	3.0
Increase/(Decrease)	\$358,873	\$358,873	3.0
Percentage Change	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$358,873	\$358,873	3.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

R-3 WRD Line Item Consolidation: The recommendation consolidates the 12 line items that the Water Resources Division is currently funded through into eight total line items organized in two sub-divisions: Operations and Special Purpose.

Satellite Monitoring System

This line item supports satellite-linked water resource monitoring stations throughout the state. This system provides "real-time" stream flow information that is used by the Division, consumptive water users such as agricultural users, and other interested persons such as rafters and anglers. Stations record stream flow, and transmit the information to a database. Once on the database, the information is accessible via computer, telephone, and the Internet. Cash revenue is

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generated through fees from local conservancy districts, water users, user associations, and municipalities, pursuant to Section 37-80-111.5, C.R.S. Moneys from the user fees are deposited in the Satellite Monitoring System Cash Fund created in Section 37-80-111.5 (1) (c), C.R.S.

The Division of Water Resources began operating the Satellite-Linked Monitoring System in 1985, and the Division believes that it has become one of the most important and integral tools for the administration and management of Colorado’s water resources. The data collected from over 500 gaging stations are used by clients that include the Division of Water Resources personnel, other state and federal agencies including Colorado Conservation Board and the United States Geological Survey, municipalities, canal companies, attorneys, and consulting engineers.

A large number of these locations are essential to the early flood warning system, low flow warning system, critical water rights, and inter-state compacts. The Department contends that reductions to this line item would significantly hinder the Division's ability to perform this service. The data collected by this program is valuable in drought periods. A major portion of the Satellite-Linked Monitoring System appropriation, approximately 51 percent, is used for personnel wages for an electronics technician and a satellite monitoring system coordinator. The electronics technician is responsible for the repair and maintenance of our existing gaging sites, as well as the installation of any new sites that may be required. The Satellite-Linked Monitoring System coordinator handles the coordination of the Division's Satellite-Linked Monitoring System within the agency, and with other state, county, and federal agencies in an ongoing effort to keep the Satellite-Linked Monitoring System operating efficiently. The balance of funds is used for necessary phone communications between the seven division offices and the Denver office. The balance is used for the purchase of supplies necessary for the maintenance and upkeep of the gaging sites and mileage for the technician to travel to and from the many sites.

Staff recommendation: Staff recommends total appropriations of \$499,857 and 2.0 FTE, including \$194,968 General Fund and \$304,889 cash funds from the Satellite Monitoring System Cash Fund.

Water Resources Division, Division Operations, Satellite Monitoring System

Satellite Monitoring System				
	Total Funds	General Fund	Cash Funds	FTE
R-3 WRD Line Item Consolidation	399,857	194,968	204,889	2.0
R-4 WRD Satellite Monit. System	<u>100,000</u>	<u>0</u>	<u>100,000</u>	<u>0.0</u>
TOTAL	\$499,857	\$194,968	\$304,889	2.0
Increase/(Decrease)	\$499,857	\$194,968	\$304,889	2.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$499,857	\$194,968	\$304,889	2.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

R-3 WRD Line Item Consolidation: The recommendation consolidates the 12 line items that the Water Resources Division is currently funded through into eight total line items organized in two sub-divisions: Operations and Special Purpose.

R-4 WRD Satellite Monitoring System: The recommendation provides \$100,000 cash funds from the Satellite Monitoring System Cash Fund to meet increasing operational expenses including maintenance, technological improvements, and possibly and expansion of the Satellite Monitoring System.

Federal Grants

Part of the funding for this line item is from the Federal Emergency Management Agency (FEMA) to support the Division's Dam Safety program and there is a small sum from the U.S. Bureau of Reclamation to support a water project in the San Luis Valley and provide gauging station maintenance for the Williams Fork gauge in northwestern Colorado. Beginning in FY 2009-10, the Department received an additional grant from the USGS Hydrologic Data Stewardship Project.

Staff recommendation: Staff recommends \$194,260 federal funds.

Water Resources Division, Division Operations, Federal Grants

Federal Grants			
	Total Funds	Federal Funds	FTE
R-3 WRD Line Item Consolidation	<u>194,260</u>	<u>194,260</u>	<u>0.0</u>
TOTAL	\$194,260	\$194,260	0.0
Increase/(Decrease)	\$194,260	\$194,260	0.0
Percentage Change	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$194,260	\$194,260	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

R-3 WRD Line Item Consolidation: The recommendation consolidates the 12 line items that the Water Resources Division is currently funded through into eight total line items organized in two sub-divisions: Operations and Special Purpose.

Base Federal Funds Adjustments: The recommendation includes an anticipated increase of \$27,000 federal funds from grants.

River Decision Support Systems

The River Decision Support System represents a statewide decision support system for the Colorado, Rio Grande, South Platte, and Arkansas River Basins. The system has been implemented and is under maintenance for the Colorado and Rio Grande Rivers. The Department is in the final phase of development for the South Platte River Decision Support System. The system consists of databases and models that facilitate decision making related to interstate compacts, water resource planning, and water rights administration, through use of historic data

and a geographic information system. This line item is funded by cash funds from the Colorado Water Conservation Board Construction Fund.

Water Management in the State of Colorado is governed by a series of interstate compacts, international treaties, state and federal laws, and U.S. Supreme Court decrees. In 1993 the Colorado legislature authorized the Colorado Water Conservation Board (CWCB) and the Division of Water Resources (DWR) to design and construct a system for the Colorado River drainage. In 1997, an extension of this system was authorized for the Rio Grande basin. In 2002, an extension of this system was authorized for the South Platte basin. Long range plans of the CWCB and DWR are to include the Arkansas River Basin and thereby provide complete statewide coverage. These systems are collectively known as Colorado's Decision Support Systems (CDSS). The principle goal of the CDSS system is to provide the capability to provide factual information on which to make informed decisions concerning the management of Colorado water. The CDSS has resulted in significant benefits to the State of Colorado (Division of Water Resources, and Colorado Water Conservation Board), and the water users community, including agriculture, recreation (anglers, rafting, boating), safety, and conservation. Direct benefits include allowing decision-makers access to water resource data to simulate potential decisions and policies and examine potential consequences related to the following:

- Interstate Compact Policy, including evaluation of alternative reservoir operating policies, determination of available water for development and maximization of Colorado's apportionment.
- Water Rescue Planning, including development and use of a water resource-planning model (i.e. new projects, water exchanges, operating plans) and evaluation of impacts of instream flow appropriations (e.g. endangered fish flow, minimum flows).
- Water Rights Administration, including optimization of water rights administration, on-line sharing of information between water users, and administration of water rights within compact allocations (i.e., alternative strategies of administration which will enable the maximum use of available resource).

Both the Colorado Water Conservation Board and the Division of Water Resources share maintenance of the Decision Support System. By definition, maintenance begins in a basin when its development is essentially complete. Therefore, the Decision Support System maintenance program includes the Colorado River and Rio Grande Basins. Funds for this program have been provided both in the annual Colorado Water Conservation Board Construction Fund Bill (in support of development) and in the Long Bill (in support of ongoing costs starting in FY 1998-99). Appropriations have been made to both the Water Conservation Board and the Division of Water Resources.

Staff recommendation: Staff recommends continuation funding for this line item totaling \$206,232 cash funds (CWCB Construction Fund) and 2.0 FTE.

Water Resources Division, Division Operations, River Decision Support Systems

River Decision Support Systems			
	Total Funds	Cash Funds	FTE
R-3 WRD Line Item Consolidation	206,232	206,232	2.0
TOTAL	\$206,232	\$206,232	2.0
Increase/(Decrease)	\$206,232	\$206,232	2.0
Percentage Change	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$206,232	\$206,232	2.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

R-3 WRD Line Item Consolidation: The recommendation consolidates the 12 line items that the Water Resources Division is currently funded through into eight total line items organized in two sub-divisions: Operations and Special Purpose.

(B) Special Purpose

Dam Emergency Repair

Pursuant to Section 37-87-108.5, C.R.S., this appropriation provides funding to the State Engineer in the event emergency action is necessary to repair a dangerous or threatened dam. Cash funds are from the Emergency Dam Repair Cash Fund, which is replenished from transfers from the Water Conservation Board Construction Fund. Pursuant to Section 37-60-122.5, C.R.S., a maximum amount of \$50,000 is continuously appropriated. Funds expended are recoverable from the dam owner. There has been no event requiring the use of these funds to date, but the appropriation reflects the continuous spending authority should a need arise.

Staff recommendation: Staff recommends continuation funding for this line item totaling \$50,000 cash funds (Emergency Dam Repair Cash Fund).

Water Resources Division, Special Purpose, Dam Emergency Repair

Dam Emergency Repair			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	0	0	0.0
TOTAL	\$0	\$0	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$0	\$0	0.0
R-3 WRD Line Item Consolidation	50,000	50,000	0.0
TOTAL	\$50,000	\$50,000	0.0
Increase/(Decrease)	\$50,000	\$50,000	0.0
Percentage Change	0.0%	0.0%	0.0%

Dam Emergency Repair			
	Total Funds	Cash Funds	FTE
FY 2013-14 Executive Request:	\$50,000	\$50,000	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

R-3 WRD Line Item Consolidation: The recommendation consolidates the 12 line items that the Water Resources Division is currently funded through into eight total line items organized in two sub-divisions: Operations and Special Purpose.

H.B. 03-1334 Temporary Interruptible Water Supply Agreements

House Bill 03-1334 (Mitchell/Hillman) enabled water users to transfer the historical consumptive use of an absolute right for application to another type or place of use on a temporary basis, without permanently changing the water right. The legislation authorized the State Engineer to approve and administer interruptible water supply agreements that permit a temporary change in the point of diversion, location of use, and type of use of any absolute water right without the need for adjudication. In FY 2005-06, the funding associated with this legislation was separated out into its own line item, pursuant to the Division's request. The funding will only be expended in this area upon the request for the temporary interruptible water supply agreement and hence the revenues would be raised. Funding for this line item comes from the Division of Water Resources Ground Water Management Cash Fund.

Staff recommendation: Staff recommends continuation funding totaling \$61,589 cash funds from the Division of Water Resources Ground Water Management Cash Fund.

Water Resources Division, Special Purpose, H.B. 03-1334 Temporary Water Supply Agreements

H.B. 03-1334 Temporary Water Supply Agreements			
	Total Funds	Cash Funds	FTE
R-3 WRD Line Item Consolidation	61,589	61,589	0.0
TOTAL	\$61,589	\$61,589	0.0
Increase/(Decrease)	\$61,589	\$61,589	0.0
Percentage Change	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$61,589	\$61,589	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

R-3 WRD Line Item Consolidation: The recommendation consolidates the 12 line items that the Water Resources Division is currently funded through into eight total line items organized in two sub-divisions: Operations and Special Purpose.

Indirect Cost Assessment

The Department requests \$27,619 total funds, including \$10,109 cash funds from the CWCB Construction Fund, \$15,270 cash funds from the Water Resources Cash Fund, and \$2,240 federal funds. Staff recommends the Committee approve the Department request. This appropriation will

be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. **Staff recommends the Department request.**

Water Resources Division, Special Purpose, Indirect Cost Assessment

Indirect Cost Assessment				
	Total Funds	Cash Funds	Federal Funds	FTE
R-3 WRD Line Item Consolidation	<u>27,619</u>	<u>25,379</u>	<u>2,240</u>	<u>0.0</u>
TOTAL	\$27,619	\$25,379	\$2,240	0.0
Increase/(Decrease)	\$27,619	\$25,379	\$2,240	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$27,619	\$25,379	\$2,240	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

R-3 WRD Line Item Consolidation: The recommendation consolidates the 12 line items that the Water Resources Division is currently funded through into eight total line items organized in two sub-divisions: Operations and Special Purpose.

Base Indirect Costs Adjustments: The recommendation includes a decrease of \$1,979 total funds for the Department's FY 2013-14 indirect cost assessment. For additional information on the Department's indirect cost assessment methodology see *Appendix A*.

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DEPARTMENT OF NATURAL RESOURCES
Mike King, Executive Director

(1) EXECUTIVE DIRECTOR'S OFFICE

This division provides budgeting, accounting, financial management, human resources, information technology, public information, and environmental education coordination for all divisions. Cash fund sources include various funds as reflected in individual division descriptions. Reappropriated funds is comprised of statewide and departmental indirect cost recoveries.

(A) Administration

Personal Services	<u>3,693,818</u>	<u>3,579,197</u>	<u>3,724,837</u>	<u>3,594,965</u>	<u>3,594,965</u> *
FTE	42.2	39.4	41.8	41.8	41.8
Reappropriated Funds	3,693,818	3,579,197	3,724,837	3,594,965	3,594,965
Health, Life, and Dental	<u>8,607,587</u>	<u>9,005,212</u>	<u>10,007,209</u>	<u>10,955,571</u>	<u>10,898,842</u> *
General Fund	1,762,355	1,531,020	963,577	818,991	820,070
Cash Funds	5,554,144	5,733,551	6,215,329	7,127,800	7,063,034
Reappropriated Funds	283,926	374,263	1,069,178	1,435,785	1,439,495
Federal Funds	1,007,162	1,366,378	1,759,125	1,572,995	1,576,243
Short-term Disability	<u>131,014</u>	<u>154,967</u>	<u>155,493</u>	<u>174,119</u>	<u>174,073</u> *
General Fund	25,925	27,743	26,141	30,041	30,102
Cash Funds	89,956	103,755	102,043	113,746	113,478
Reappropriated Funds	3,915	5,731	5,494	5,606	5,634
Federal Funds	11,218	17,738	21,815	24,726	24,859

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
S.B. 04-257 Amortization Equalization					
Disbursement	<u>2,023,033</u>	<u>2,446,227</u>	<u>3,185,576</u>	<u>3,713,370</u>	<u>3,705,042</u> *
General Fund	395,845	433,645	473,384	576,485	572,359
Cash Funds	1,392,875	1,641,325	2,157,966	2,515,537	2,508,284
Reappropriated Funds	60,612	90,652	102,945	106,775	107,304
Federal Funds	173,701	280,605	451,281	514,573	517,095
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>1,472,224</u>	<u>1,963,386</u>	<u>2,735,659</u>	<u>3,352,347</u>	<u>3,342,999</u> *
General Fund	285,733	346,132	404,868	520,438	514,883
Cash Funds	1,015,638	1,318,922	1,854,503	2,270,970	2,264,422
Reappropriated Funds	44,196	72,846	88,469	96,394	96,872
Federal Funds	126,657	225,486	387,819	464,545	466,822
Salary Survey					
Disbursement	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,829,448</u>	<u>2,367,973</u> *
General Fund	0	0	0	249,484	308,185
Cash Funds	0	0	0	1,480,704	1,919,674
Reappropriated Funds	0	0	0	49,860	66,251
Federal Funds	0	0	0	49,400	73,863
Merit Pay					
Disbursement	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,550,202</u>	<u>1,527,049</u> *
General Fund	0	0	0	277,904	254,746
Cash Funds	0	0	0	1,174,463	1,173,674
Reappropriated Funds	0	0	0	53,443	53,444
Federal Funds	0	0	0	44,392	45,185
Shift Differential					
Disbursement	<u>24,774</u>	<u>17,732</u>	<u>31,242</u>	<u>25,546</u>	<u>31,242</u>
General Fund	4,650	0	0	0	0
Cash Funds	20,124	17,732	31,242	25,546	31,242

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
Workers' Compensation	<u>1,722,323</u>	<u>1,403,091</u>	<u>1,607,888</u>	<u>1,554,085</u>	<u>1,554,085</u> *
General Fund	301,919	199,253	62,350	69,610	69,610
Cash Funds	1,367,147	1,148,866	1,497,832	1,458,965	1,458,965
Reappropriated Funds	24,913	24,310	8,348	94	94
Federal Funds	28,344	30,662	39,358	25,416	25,416
Operating Expenses	<u>1,143,986</u>	<u>1,208,860</u>	<u>1,250,438</u>	<u>1,246,467</u>	<u>1,246,467</u> *
Cash Funds	978,842	1,028,596	1,060,977	1,057,006	1,057,006
Reappropriated Funds	159,807	174,927	184,124	184,124	184,124
Federal Funds	5,337	5,337	5,337	5,337	5,337
Legal Services	<u>3,309,452</u>	<u>3,365,661</u>	<u>3,510,951</u>	<u>3,630,132</u>	<u>3,630,132</u> *
General Fund	804,794	832,731	850,052	850,052	850,052
Cash Funds	2,422,081	2,467,150	2,568,924	2,688,105	2,688,105
Reappropriated Funds	38,299	36,687	40,324	40,324	40,324
Federal Funds	44,278	29,093	51,651	51,651	51,651
Purchase of Services from Computer Center	<u>5,007,603</u>	<u>5,411,608</u>	<u>5,222,353</u>	<u>5,796,319</u>	<u>5,796,319</u> *
General Fund	654,114	471,648	318,313	343,308	343,308
Cash Funds	3,020,033	3,314,076	3,651,170	3,810,209	3,810,209
Reappropriated Funds	1,216,646	1,521,241	1,042,475	1,483,385	1,483,385
Federal Funds	116,810	104,643	210,395	159,417	159,417
Multiuse Network Payments	<u>1,962,865</u>	<u>2,186,240</u>	<u>2,274,071</u>	<u>1,569,280</u>	<u>1,569,280</u>
General Fund	238,620	130,554	334,341	212,795	212,795
Cash Funds	1,080,259	1,375,172	1,607,007	1,239,051	1,239,051
Reappropriated Funds	535,856	569,738	313,778	105,195	105,195
Federal Funds	108,130	110,776	18,945	12,239	12,239

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
Management and Administration of OIT	<u>480,635</u>	<u>549,913</u>	<u>290,806</u>	<u>183,268</u>	<u>183,268</u> *
General Fund	10,881	1,517	41,187	23,516	23,516
Cash Funds	229,513	297,502	182,263	152,441	152,441
Reappropriated Funds	234,566	244,797	62,038	4,192	4,192
Federal Funds	5,675	6,097	5,318	3,119	3,119
Payment to Risk Management and Property Funds	<u>351,612</u>	<u>760,527</u>	<u>949,810</u>	<u>836,750</u>	<u>836,750</u> *
General Fund	42,552	68,601	91,214	88,257	88,257
Cash Funds	298,971	670,925	830,795	720,303	720,303
Reappropriated Funds	6,317	11,964	15,872	16,566	16,566
Federal Funds	3,772	9,037	11,929	11,624	11,624
Vehicle Lease Payments	<u>3,306,953</u>	<u>2,774,311</u>	<u>3,103,483</u>	<u>3,564,819</u>	<u>3,564,819</u> *
General Fund	433,059	300,382	331,892	322,135	322,135
Cash Funds	2,814,767	2,420,249	2,720,167	3,183,483	3,183,483
Reappropriated Funds	0	0	0	3,208	3,208
Federal Funds	59,127	53,680	51,424	55,993	55,993
Information Technology Asset Maintenance	<u>268,652</u>	<u>245,718</u>	<u>266,989</u>	<u>263,159</u>	<u>263,159</u> *
General Fund	53,746	31,628	31,628	31,628	31,628
Cash Funds	112,132	123,552	144,823	140,993	140,993
Reappropriated Funds	90,538	90,538	90,538	90,538	90,538
Federal Funds	12,236	0	0	0	0
Leased Space	<u>1,245,988</u>	<u>1,344,308</u>	<u>1,345,882</u>	<u>1,399,580</u>	<u>1,399,580</u> *
General Fund	508,481	536,714	531,230	532,215	532,215
Cash Funds	711,243	779,813	784,539	833,679	833,679
Reappropriated Funds	0	0	0	0	0
Federal Funds	26,264	27,781	30,113	33,686	33,686

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
Capitol Complex Leased Space	<u>851,397</u>	<u>872,671</u>	<u>865,372</u>	<u>1,232,959</u>	<u>1,232,959</u> *
General Fund	241,965	217,856	216,033	268,438	268,438
Cash Funds	325,018	376,772	373,616	621,915	621,915
Reappropriated Funds	166,960	171,126	169,701	210,866	210,866
Federal Funds	117,454	106,917	106,022	131,740	131,740
Integrated Resource Services	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Reappropriated Funds	0	0	250,000	250,000	250,000
Communication Services Payments	<u>981,206</u>	<u>1,060,571</u>	<u>1,039,294</u>	<u>1,056,951</u>	<u>1,056,951</u>
General Fund	110,050	0	0	0	0
Cash Funds	871,156	1,060,571	1,039,294	1,056,951	1,056,951
COFRS Modernization	<u>0</u>	<u>0</u>	<u>1,390,968</u>	<u>1,390,968</u>	<u>1,390,968</u> *
General Fund	0	0	134,326	134,326	134,326
Cash Funds	0	0	1,148,689	1,146,667	1,146,667
Reappropriated Funds	0	0	68,112	69,388	69,388
Federal Funds	0	0	39,841	40,587	40,587
Species Conservation Trust Fund	<u>4,100,118</u>	<u>3,789,572</u>	<u>4,000,000</u>	<u>0</u>	<u>0</u>
Cash Funds	4,100,118	3,789,572	4,000,000	0	0
SUBTOTAL - (A) Administration	40,685,240	42,139,772	47,208,321	49,170,305	49,616,922
FTE	42.2	39.4	41.8	41.8	41.8
General Fund	5,874,689	5,129,424	4,810,536	5,349,623	5,376,625
Cash Funds	26,404,017	27,668,101	31,971,179	32,818,534	33,183,576
Reappropriated Funds	6,560,369	6,968,017	7,236,233	7,800,708	7,821,845
Federal Funds	1,846,165	2,374,230	3,190,373	3,201,440	3,234,876

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
(B) Special Programs					
Colorado Avalanche Information Center	0	0	0	708,770	708,770 *
FTE	0.0	0.0	0.0	8.4	8.4
Cash Funds	0	0	0	280,750	280,750
Reappropriated Funds	0	0	0	409,833	409,833
Federal Funds	0	0	0	18,187	18,187
Transfer to the Healthy Forests and Vibrant Communities Fund	0	0	0	10,326,842	0 *
General Fund	0	0	0	10,326,842	0
Indirect Cost Assessment	0	0	0	35,514	35,514 *
Cash Funds	0	0	0	34,564	34,564
Federal Funds	0	0	0	950	950
SUBTOTAL - (B) Special Programs	0	0	0	11,071,126	744,284
FTE	0.0	0.0	0.0	8.4	8.4
General Fund	0	0	0	10,326,842	0
Cash Funds	0	0	0	315,314	315,314
Reappropriated Funds	0	0	0	409,833	409,833
Federal Funds	0	0	0	19,137	19,137
TOTAL - (1) Executive Director's Office	40,685,240	42,139,772	47,208,321	60,241,431	50,361,206
FTE	42.2	39.4	41.8	50.2	50.2
General Fund	5,874,689	5,129,424	4,810,536	15,676,465	5,376,625
Cash Funds	26,404,017	27,668,101	31,971,179	33,133,848	33,498,890
Reappropriated Funds	6,560,369	6,968,017	7,236,233	8,210,541	8,231,678
Federal Funds	1,846,165	2,374,230	3,190,373	3,220,577	3,254,013

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
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(6) DIVISION OF PARKS AND WILDLIFE

This division manages Colorado's 43 State Parks, the State's wildlife resources, and various special purpose programs. Primary funding for the Division comes from parks passes and fees, hunting and fishing licenses, Great Outdoors Colorado Board grants, federal funds, severance tax funds, and various other cash funds.

(A) Parks and Outdoor Recreation

(I) State Park Operations

State Park Operations	<u>22,484,109</u>	<u>23,300,543</u>	<u>27,760,023</u>	<u>27,203,781</u>	<u>27,203,781</u> *
FTE	229.3	225.6	265.3	255.1	255.1
General Fund	1,630,733	0	0	0	0
Cash Funds	20,417,013	22,919,118	27,321,315	26,765,073	26,765,073
Federal Funds	436,363	381,425	438,708	438,708	438,708

SUBTOTAL - (I) State Park Operations	22,484,109	23,300,543	27,760,023	27,203,781	27,203,781
FTE	<u>229.3</u>	<u>225.6</u>	<u>265.3</u>	<u>255.1</u>	<u>255.1</u>
General Fund	1,630,733	0	0	0	0
Cash Funds	20,417,013	22,919,118	27,321,315	26,765,073	26,765,073
Federal Funds	436,363	381,425	438,708	438,708	438,708

(II) Great Outdoors Colorado Board Grants

Land and Water Protection	<u>514,378</u>	<u>445,703</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	2.0	1.3	0.0	0.0	0.0
Cash Funds	514,378	445,703	0	0	0
Operations and Maintenance	<u>1,993,781</u>	<u>2,052,133</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	12.1	11.1	0.0	0.0	0.0
Cash Funds	1,993,781	2,052,133	0	0	0

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
Statewide Programs	<u>1,376,831</u>	<u>1,380,931</u>	0	0	0
FTE	4.8	4.8	0.0	0.0	0.0
Cash Funds	1,376,831	1,380,931	0	0	0
SUBTOTAL - (II) Great Outdoors Colorado					
Board Grants	3,884,990	3,878,767	0	0	0
FTE	<u>18.9</u>	<u>17.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	3,884,990	3,878,767	0	0	0
(III) Special Purpose					
Snowmobile Program	<u>838,433</u>	<u>818,886</u>	<u>1,000,924</u>	<u>1,000,924</u>	<u>1,000,924</u>
FTE	1.0	1.2	1.3	1.3	1.3
Cash Funds	838,433	818,886	1,000,924	1,000,924	1,000,924
River Outfitters Regulation	<u>71,027</u>	<u>103,988</u>	<u>142,966</u>	<u>142,966</u>	<u>142,966</u>
FTE	0.0	0.4	0.5	0.5	0.5
Cash Funds	71,027	103,988	142,966	142,966	142,966
Off-highway Vehicle Program	<u>532,000</u>	<u>423,540</u>	<u>532,501</u>	<u>532,501</u>	<u>532,501</u>
FTE	3.0	3.0	3.0	3.0	3.0
Cash Funds	532,000	423,540	532,501	532,501	532,501
Off-highway Vehicle Grants	<u>3,114,056</u>	<u>3,240,154</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>
Cash Funds	3,114,056	3,240,154	4,000,000	4,000,000	4,000,000
Federal Grants	<u>624,221</u>	<u>719,084</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
Federal Funds	624,221	719,084	750,000	750,000	750,000

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
S.B. 03-290 Enterprise Fund	<u>340,531</u>	<u>276,746</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Cash Funds	340,531	276,746	200,000	200,000	200,000
Information Technology	<u>0</u>	<u>0</u>	<u>1,301,500</u>	<u>1,301,500</u>	<u>1,301,500</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	1,301,500	1,301,500	1,301,500
System Operations and Support	<u>540,591</u>	<u>732,605</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	540,591	732,605	0	0	0
Connectivity at State Parks	<u>149,309</u>	<u>219,644</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	149,309	219,644	0	0	0
Asset Management	<u>279,017</u>	<u>159,316</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	279,017	159,316	0	0	0
Natural Resource Protection	<u>382,691</u>	<u>593,852</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Cash Funds	242,802	571,394	150,000	150,000	150,000
Federal Funds	139,889	22,458	450,000	450,000	450,000
Miscellaneous Small Projects	<u>2,330,756</u>	<u>2,356,479</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Cash Funds	2,330,756	2,356,479	2,000,000	2,000,000	2,000,000
Trails Grants	<u>1,792,566</u>	<u>1,264,283</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>
Cash Funds	1,441,535	643,743	1,800,000	1,800,000	1,800,000
Federal Funds	351,031	620,540	400,000	400,000	400,000

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
S.B. 08-226 Aquatic Nuisance Species	<u>2,067,497</u>	<u>1,969,487</u>	<u>2,684,673</u>	<u>2,548,520</u>	<u>2,548,520</u> *
FTE	6.0	4.8	7.0	4.0	4.0
Cash Funds	2,067,497	1,969,487	2,684,673	2,548,520	2,548,520
Indirect Cost Assessment	<u>1,559,067</u>	<u>1,811,853</u>	<u>1,630,331</u>	<u>1,777,457</u>	<u>1,777,457</u>
Cash Funds	1,273,641	1,583,099	1,585,363	1,739,891	1,739,891
Federal Funds	285,426	228,754	44,968	37,566	37,566
SUBTOTAL - (III) Special Purpose	14,621,762	14,689,917	17,042,895	17,053,868	17,053,868
FTE	<u>10.0</u>	<u>9.4</u>	<u>11.8</u>	<u>8.8</u>	<u>8.8</u>
Cash Funds	13,221,195	13,099,081	15,397,927	15,416,302	15,416,302
Federal Funds	1,400,567	1,590,836	1,644,968	1,637,566	1,637,566
SUBTOTAL - (A) Parks and Outdoor					
Recreation	40,990,861	41,869,227	44,802,918	44,257,649	44,257,649
FTE	<u>258.2</u>	<u>252.2</u>	<u>277.1</u>	<u>263.9</u>	<u>263.9</u>
General Fund	1,630,733	0	0	0	0
Cash Funds	37,523,198	39,896,966	42,719,242	42,181,375	42,181,375
Federal Funds	1,836,930	1,972,261	2,083,676	2,076,274	2,076,274
(B) Wildlife					
(1) Division Operations					
Director's Office	<u>1,429,786</u>	<u>1,157,253</u>	<u>2,046,314</u>	<u>1,857,086</u>	<u>1,857,086</u> *
FTE	11.9	10.0	18.0	15.7	15.7
Cash Funds	1,300,051	1,063,236	1,926,735	1,737,507	1,737,507
Federal Funds	129,735	94,017	119,579	119,579	119,579

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
Wildlife Management	<u>66,231,312</u>	<u>66,252,468</u>	<u>64,251,096</u>	<u>69,322,120</u>	<u>69,322,120</u> *
FTE	570.6	567.2	553.4	547.9	547.9
Cash Funds	51,720,460	49,958,829	54,175,386	50,619,650	50,619,650
Federal Funds	14,510,852	16,293,639	10,075,710	18,702,470	18,702,470
Technical Services	<u>5,855,370</u>	<u>5,729,703</u>	<u>6,488,352</u>	<u>6,400,796</u>	<u>6,400,796</u> *
FTE	52.6	52.5	60.0	59.0	59.0
Cash Funds	5,855,370	5,843,835	6,473,086	6,385,530	6,385,530
Federal Funds	0	(114,132)	15,266	15,266	15,266
Information Technology	<u>899,597</u>	<u>1,010,426</u>	<u>1,580,395</u>	<u>1,580,395</u>	<u>1,580,395</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	899,597	1,010,426	1,580,395	1,580,395	1,580,395
SUBTOTAL - (1) Division Operations	74,416,065	74,149,850	74,366,157	79,160,397	79,160,397
FTE	635.1	629.7	631.4	622.6	622.6
Cash Funds	59,775,478	57,876,326	64,155,602	60,323,082	60,323,082
Federal Funds	14,640,587	16,273,524	10,210,555	18,837,315	18,837,315
(2) Special Purpose					
Wildlife Commission Discretionary Fund	<u>0</u>	<u>0</u>	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>
Cash Funds	0	0	160,000	160,000	160,000
Game Damage Claims and Prevention	<u>937,337</u>	<u>1,282,500</u>	<u>1,282,500</u>	<u>1,282,500</u>	<u>1,282,500</u>
Cash Funds	937,337	1,282,500	1,282,500	1,282,500	1,282,500
Instream Flow Program	<u>296,027</u>	<u>296,027</u>	<u>296,027</u>	<u>296,027</u>	<u>296,027</u>
Cash Funds	296,027	296,027	296,027	296,027	296,027

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
Habitat Partnership Program	<u>2,341,575</u>	<u>2,484,123</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
Cash Funds	2,341,575	2,484,123	2,500,000	2,500,000	2,500,000
S.B. 08-226 Aquatic Nuisance Species	<u>1,705,519</u>	<u>1,830,888</u>	<u>1,304,544</u>	<u>1,304,544</u>	<u>1,304,544</u>
Cash Funds	1,705,519	1,830,888	1,304,544	1,304,544	1,304,544
Grants and Habitat Partnerships	<u>179,773</u>	<u>216,733</u>	<u>1,625,000</u>	<u>1,625,000</u>	<u>1,625,000</u>
Cash Funds	179,773	216,733	1,625,000	1,625,000	1,625,000
Asset Maintenance and Repairs	<u>211,125</u>	<u>441,705</u>	<u>606,880</u>	<u>606,880</u>	<u>606,880</u>
Cash Funds	211,125	441,705	606,880	606,880	606,880
Indirect Cost Assessment	<u>3,891,428</u>	<u>3,430,878</u>	<u>3,556,991</u>	<u>3,979,346</u>	<u>3,979,346</u>
Cash Funds	2,946,661	2,737,869	2,970,528	3,349,809	3,349,809
Federal Funds	944,767	693,009	586,463	629,537	629,537
SUBTOTAL - (2) Special Purpose	9,562,784	9,982,854	11,331,942	11,754,297	11,754,297
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	8,618,017	9,289,845	10,745,479	11,124,760	11,124,760
Federal Funds	944,767	693,009	586,463	629,537	629,537
SUBTOTAL - (B) Wildlife	83,978,849	84,132,704	85,698,099	90,914,694	90,914,694
<i>FTE</i>	<u>635.1</u>	<u>629.7</u>	<u>631.4</u>	<u>622.6</u>	<u>622.6</u>
Cash Funds	68,393,495	67,166,171	74,901,081	71,447,842	71,447,842
Federal Funds	15,585,354	16,966,533	10,797,018	19,466,852	19,466,852

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
TOTAL - (6) Division of Parks and Wildlife	124,969,710	126,001,931	130,501,017	135,172,343	135,172,343
<i>FTE</i>	<u>893.3</u>	<u>881.9</u>	<u>908.5</u>	<u>886.5</u>	<u>886.5</u>
General Fund	1,630,733	0	0	0	0
Cash Funds	105,916,693	107,063,137	117,620,323	113,629,217	113,629,217
Federal Funds	17,422,284	18,938,794	12,880,694	21,543,126	21,543,126

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
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(7) COLORADO WATER CONSERVATION BOARD

This division is responsible for water conservation, development, protection, planning, and management. The primary cash fund source is the Colorado Water Conservation Board Construction Fund.

(A) Administration

Personal Services	<u>2,493,004</u>	<u>2,587,818</u>	<u>2,886,953</u>	<u>2,886,953</u>	<u>2,886,953</u>
FTE	28.4	28.6	30.0	30.0	30.0
Cash Funds	2,196,977	2,291,791	2,595,366	2,595,366	2,595,366
Reappropriated Funds	296,027	296,027	291,587	291,587	291,587
Operating Expenses	<u>94,740</u>	<u>449,750</u>	<u>472,761</u>	<u>472,761</u>	<u>472,761</u>
Cash Funds	94,740	449,750	472,761	472,761	472,761
River Decision Support Systems	<u>452,782</u>	<u>446,218</u>	<u>456,784</u>	<u>456,784</u>	<u>456,784</u>
FTE	4.0	4.0	4.0	4.0	4.0
Cash Funds	452,782	446,218	456,784	456,784	456,784
Interstate Compacts	<u>349,962</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	349,962	0	0	0	0
Western States Water Council Dues	<u>27,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	27,500	0	0	0	0
SUBTOTAL - (A) Administration	3,417,988	3,483,786	3,816,498	3,816,498	3,816,498
FTE	<u>32.4</u>	<u>32.6</u>	<u>34.0</u>	<u>34.0</u>	<u>34.0</u>
Cash Funds	3,121,961	3,187,759	3,524,911	3,524,911	3,524,911
Reappropriated Funds	296,027	296,027	291,587	291,587	291,587

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
(B) Special Purpose					
Intrastate Water Management and Development	<u>414,892</u>	<u>392,165</u>	<u>470,464</u>	<u>470,464</u>	<u>470,464</u>
Cash Funds	414,892	392,165	470,464	470,464	470,464
Federal Emergency Management Assistance	<u>85,767</u>	<u>111,143</u>	<u>143,928</u>	<u>143,928</u>	<u>143,928</u>
FTE	1.5	1.9	2.0	2.0	2.0
Cash Funds	0	0	13,732	13,732	13,732
Federal Funds	85,767	111,143	130,196	130,196	130,196
Weather Modification	<u>11,170</u>	<u>6,495</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Cash Funds	11,170	6,495	25,000	25,000	25,000
Water Conservation Program	<u>269,484</u>	<u>254,026</u>	<u>285,166</u>	<u>285,166</u>	<u>285,166</u>
FTE	3.5	3.3	4.0	4.0	4.0
Cash Funds	269,484	254,026	285,166	285,166	285,166
Water Efficiency Grant Program	<u>562,602</u>	<u>379,375</u>	<u>598,788</u>	<u>598,788</u>	<u>598,788</u>
FTE	1.0	1.0	1.0	1.0	1.0
Cash Funds	562,602	379,375	598,788	598,788	598,788
Severance Tax Fund	<u>1,256,402</u>	<u>1,268,180</u>	<u>1,275,500</u>	<u>1,275,500</u>	<u>1,275,500</u>
Cash Funds	1,256,402	1,268,180	1,275,500	1,275,500	1,275,500
Interbasin Compacts	<u>1,259,368</u>	<u>820,727</u>	<u>1,141,167</u>	<u>1,141,167</u>	<u>1,141,167</u>
FTE	3.7	4.0	3.7	3.7	3.7
Cash Funds	1,259,368	820,727	1,141,167	1,141,167	1,141,167

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
Platte River Basin Cooperative Agreement	<u>144,392</u>	<u>183,489</u>	<u>231,534</u>	<u>231,534</u>	<u>231,534</u>
FTE	0.8	1.0	1.0	1.0	1.0
Cash Funds	144,392	183,489	231,534	231,534	231,534
S.B. 02-87 Colorado Watershed Protection Fund	<u>127,407</u>	<u>54,221</u>	<u>119,942</u>	<u>119,942</u>	<u>119,942</u>
Cash Funds	127,407	54,221	119,942	119,942	119,942
H.B. 12-1278 South Platte Alluvial Aquifer Study	<u>0</u>	<u>0</u>	<u>910,900</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	910,900	0	0
Indirect Cost Assessment	<u>535,510</u>	<u>618,785</u>	<u>529,663</u>	<u>501,575</u>	<u>501,575</u>
Cash Funds	501,706	577,833	514,757	491,158	491,158
Federal Funds	33,804	40,952	14,906	10,417	10,417
Water Construction Fund Bill	<u>1,322,685</u>	<u>1,745,931</u>	<u>27,975,000</u>	<u>0</u>	<u>0</u>
Cash Funds	1,322,685	1,745,931	27,975,000	0	0
SUBTOTAL - (B) Special Purpose	5,989,679	5,834,537	33,707,052	4,793,064	4,793,064
FTE	10.5	11.2	11.7	11.7	11.7
Cash Funds	5,870,108	5,682,442	33,561,950	4,652,451	4,652,451
Federal Funds	119,571	152,095	145,102	140,613	140,613
TOTAL - (7) Colorado Water Conservation					
Board	9,407,667	9,318,323	37,523,550	8,609,562	8,609,562
FTE	42.9	43.8	45.7	45.7	45.7
Cash Funds	8,992,069	8,870,201	37,086,861	8,177,362	8,177,362
Reappropriated Funds	296,027	296,027	291,587	291,587	291,587
Federal Funds	119,571	152,095	145,102	140,613	140,613

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
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(8) WATER RESOURCES DIVISION

This division is responsible for the supervision and control of water resources in the State. The division is funded primarily by the General Fund but also includes various cash funds deposited in the Water Resources Cash Fund, CWCB Construction funds, well inspection and satellite monitoring system funds, as well as some federal funds.

Existing Structure

Personal Services	<u>17,123,610</u>	<u>16,871,311</u>	<u>17,868,264</u>	<u>0</u>	<u>0</u> *
FTE	233.4	232.0	243.1	0.0	0.0
General Fund	16,920,509	16,871,311	17,279,097	0	0
Cash Funds	203,101	0	589,167	0	0
Operating Expenses	<u>1,316,401</u>	<u>1,165,106</u>	<u>1,530,824</u>	<u>0</u>	<u>0</u> *
General Fund	960,466	1,165,106	1,091,316	0	0
Cash Funds	355,935	0	439,508	0	0
Interstate Compacts	<u>73,896</u>	<u>62,590</u>	<u>76,002</u>	<u>0</u>	<u>0</u> *
General Fund	73,896	62,590	76,002	0	0
Republican River Compact Compliance	<u>309,346</u>	<u>294,771</u>	<u>316,364</u>	<u>0</u>	<u>0</u> *
FTE	4.7	3.6	5.0	0.0	0.0
General Fund	309,346	294,771	316,364	0	0
Satellite Monitoring System	<u>367,207</u>	<u>396,259</u>	<u>399,857</u>	<u>0</u>	<u>0</u> *
FTE	1.5	2.0	2.0	0.0	0.0
General Fund	192,142	191,371	194,968	0	0
Cash Funds	175,065	204,888	204,889	0	0

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
Augmentation of Water for Sand and Gravel					
Extraction	<u>20,121</u>	<u>41,148</u>	<u>44,400</u>	<u>0</u>	<u>0</u> *
Cash Funds	20,121	41,148	44,400	0	0
Dam Emergency Repair	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>0</u> *
Cash Funds	0	0	50,000	0	0
Federal Grant	<u>155,705</u>	<u>237,332</u>	<u>167,260</u>	<u>0</u>	<u>0</u> *
Federal Funds	155,705	237,332	167,260	0	0
River Decision Support Systems	<u>205,371</u>	<u>141,186</u>	<u>206,232</u>	<u>0</u>	<u>0</u> *
FTE	2.0	2.0	2.0	0.0	0.0
Cash Funds	205,371	141,186	206,232	0	0
H.B. 03-1334 Temporary Interruptible Water					
Supply Agreements	<u>0</u>	<u>0</u>	<u>61,589</u>	<u>0</u>	<u>0</u> *
Cash Funds	0	0	61,589	0	0
S.B. 04-225 Well Enforcement	<u>0</u>	<u>0</u>	<u>1,489</u>	<u>0</u>	<u>0</u> *
Cash Funds	0	0	1,489	0	0
Indirect Cost Assessment	<u>35,042</u>	<u>44,732</u>	<u>29,598</u>	<u>0</u>	<u>0</u> *
Cash Funds	35,042	43,947	25,120	0	0
Federal Funds	0	785	4,478	0	0
Water Construction Fund Bill	<u>295,576</u>	<u>357,854</u>	<u>300,000</u>	<u>0</u>	<u>0</u>
Cash Funds	295,576	357,854	300,000	0	0

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
SUBTOTAL - Existing Structure	19,902,275	19,612,289	21,051,879	0	0
<i>FTE</i>	<u>241.6</u>	<u>239.6</u>	<u>252.1</u>	<u>0.0</u>	<u>0.0</u>
General Fund	18,456,359	18,585,149	18,957,747	0	0
Cash Funds	1,290,211	789,023	1,922,394	0	0
Federal Funds	155,705	238,117	171,738	0	0

(A) Division Operations

Water Administration	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,174,566</u>	<u>19,174,566</u> *
FTE	0.0	0.0	0.0	245.1	245.1
General Fund	0	0	0	18,534,732	18,534,732
Cash Funds	0	0	0	639,834	639,834
Well Inspection	<u>0</u>	<u>0</u>	<u>0</u>	<u>358,873</u>	<u>358,873</u> *
FTE	0.0	0.0	0.0	3.0	3.0
Cash Funds	0	0	0	358,873	358,873
Satellite Monitoring System	<u>0</u>	<u>0</u>	<u>0</u>	<u>499,857</u>	<u>499,857</u> *
FTE	0.0	0.0	0.0	2.0	2.0
General Fund	0	0	0	194,968	194,968
Cash Funds	0	0	0	304,889	304,889
Federal Grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>194,260</u>	<u>194,260</u> *
Federal Funds	0	0	0	194,260	194,260
River Decision Support Systems	<u>0</u>	<u>0</u>	<u>0</u>	<u>206,232</u>	<u>206,232</u> *
FTE	0.0	0.0	0.0	2.0	2.0
Cash Funds	0	0	0	206,232	206,232

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
SUBTOTAL - (A) Division Operations	0	0	0	20,433,788	20,433,788
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>252.1</u>	<u>252.1</u>
General Fund	0	0	0	18,729,700	18,729,700
Cash Funds	0	0	0	1,509,828	1,509,828
Federal Funds	0	0	0	194,260	194,260
(B) Special Purpose					
Dam Emergency Repair	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u> *
Cash Funds	0	0	0	50,000	50,000
H.B. 03-1334 Temporary Water Supply					
Agreements	<u>0</u>	<u>0</u>	<u>0</u>	<u>61,589</u>	<u>61,589</u> *
Cash Funds	0	0	0	61,589	61,589
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,619</u>	<u>27,619</u> *
Cash Funds	0	0	0	25,379	25,379
Federal Funds	0	0	0	2,240	2,240
SUBTOTAL - (B) Special Purpose	0	0	0	139,208	139,208
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	0	0	0	136,968	136,968
Federal Funds	0	0	0	2,240	2,240
TOTAL - (8) Water Resources Division	19,902,275	19,612,289	21,051,879	20,572,996	20,572,996
<i>FTE</i>	<u>241.6</u>	<u>239.6</u>	<u>252.1</u>	<u>252.1</u>	<u>252.1</u>
General Fund	18,456,359	18,585,149	18,957,747	18,729,700	18,729,700
Cash Funds	1,290,211	789,023	1,922,394	1,646,796	1,646,796
Federal Funds	155,705	238,117	171,738	196,500	196,500

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
TOTAL - Department of Natural Resources	194,964,892	197,072,315	236,284,767	224,596,332	214,716,107
<i>FTE</i>	<u>1,220.0</u>	<u>1,204.7</u>	<u>1,248.1</u>	<u>1,234.5</u>	<u>1,234.5</u>
General Fund	25,961,781	23,714,573	23,768,283	34,406,165	24,106,325
Cash Funds	142,602,990	144,390,462	188,600,757	156,587,223	156,952,265
Reappropriated Funds	6,856,396	7,264,044	7,527,820	8,502,128	8,523,265
Federal Funds	19,543,725	21,703,236	16,387,907	25,100,816	25,134,252

Long Bill Footnotes and Requests for Information

LONG BILL FOOTNOTES

Staff recommends that the following footnotes be **continued**:

- 45 **Department of Natural Resources, Division of Parks and Wildlife, Parks and Outdoor Recreation, Special Purpose, Off-highway Vehicle Grants** - It is the intent of the General Assembly that the appropriation to this line item remain available until the completion of the project or the close of ~~FY 2014-15~~ FY 2015-16, whichever comes first.

- 46 **Department of Natural Resources, Division of Parks and Wildlife, Wildlife, Special Purpose, Grants and Habitat Partnerships** - It is the intent of the General Assembly that the appropriation to this line item remain available until the completion of the project or the close of ~~FY 2014-15~~ FY 2015-16, whichever comes first.

- 47 **Department of Natural Resources, Division of Parks and Wildlife, Wildlife, Special Purpose, Asset Maintenance and Repairs** - It is the intent of the General Assembly that the appropriation to this line item remain available until the completion of the project or the close of ~~FY 2014-15~~ FY 2015-16, whichever comes first.

REQUESTS FOR INFORMATION

Staff recommends that the following requests for information be **continued**:

- 1 **Department of Natural Resources, Executive Director's Office, Integrated Resource Services** -- The Department of Natural Resources is requested to provide a report, by November 1, 2013, listing the number of projects funded through the Integrated Resource Services line item and the cost of each project. The report should provide information for the most recent year actual expenditures, the current year estimated expenditures, and the request year estimated expenditures.

- 4 **Department of Natural Resources, Division of Parks and Wildlife, Parks and Outdoor Recreation, and Wildlife** - The Division of Parks and Wildlife is requested to provide the Joint Budget Committee with a report on Parks and Outdoor Recreation and Wildlife sources of revenue as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds Great Outdoors Colorado Board Grants used for operations and capital projects. The report is requested to be submitted by November 1, 2013.

Appendix A: Indirect Cost Assessment Methodology

Description of Indirect Cost Assessment Methodology

The Department of Natural Resources indirect cost assessment methodology is calculated based on two components: an “*Indirect Cost Pool*” and an “*Indirect Cost Base*”.

The *Indirect Cost Pool* is comprised of approved Executive Director’s Office (EDO) and other overhead FY 2011-12 actual costs, including statewide indirect costs, used to provide support to the entire department. The *Indirect Cost Base* is comprised of FY 2011-12 actual personal services costs by division. **Table 1** outlines which lines are included in the department’s Indirect Cost Pool. Of the Total Indirect Cost Pool, the Department subtracts \$1,350,750 of non-recoverable indirect costs associated with General Fund personal services costs not assessed in the Water Resources Division (the majority of personal services costs in the Water Resources Division are General Fund costs. Staff notes that the indirect cost pool presented during the Department's briefing was \$166,261 higher than the plan presented in the table below, the reason for the downward adjustment of the Department's indirect cost pool has to do with the move of the Geological Survey from the Department to the Colorado School of Mines per H.B. 12-1355 and H.B. 13-1057.

Table 1		
Department of Natural Resources Indirect Cost Pool		
Division	Line Item	FY 2011-12 Actual
Executive Director's Office		
	Personal Services	\$3,837,374
	Workers Compensation	24,310
	Operating Expenses	174,927
	Legal Services	36,687
	Purchase of Services from Computer Center	1,521,241
	Multiuse Network Payments	569,738
	Management and Administration of OIT	244,797
	Payment to Risk Management and Property Funds	11,964
	Information Technology Asset Maintenance	90,538
	Capitol Complex Leased Space	171,126
	Audit Charges	183,036
	Equipment Use	265,337
	Statewide Indirect Cost Share (including General Fund)	1,700,927
Total Indirect Cost Pool		\$8,832,002
	General Fund Personal Services (Unrecoverable Costs)	(1,350,750)
Total Recoverable Indirect Cost Pool		\$7,481,252

The Department does not have an *Indirect Cost Rate*. Instead, the Department uses FY 2011-12 actual eligible personal services costs from cash funds and federal funds sources to calculate the *Indirect Cost Base*, which is used in determining the proportional allocation of the Total Recoverable Indirect Cost Pool to divisions. **Table 2** summarizes the department’s Indirect Cost Base. Staff notes that due to the transfer of the Colorado Geological Survey to the Colorado School of Mines, the allocation of the Indirect Cost Pool no longer includes the Colorado Geological Survey.

Table 2	
Department of Natural Resources Indirect Cost Base	
Division	FY 2011-12 Actual (CF, RF, FF)
Division of Reclamation, Mining, and Safety	\$7,260,875
Colorado Geological Survey	2,937,488
Oil and Gas Conservation Commission	6,347,767
State Board of Land Commissioners	3,274,986
Division of Parks and Wildlife - Parks	25,876,431
Division of Parks and Wildlife - Wildlife	57,931,781
Colorado Water Conservation Board	7,301,991
Water Resources Division	402,080
Total Indirect Cost Base	\$111,333,399

FY 2013-14 Indirect Cost Assessment Recommendation

For FY 2013-14 JBC staff has recommends \$7,481,252 for indirect cost assessments to divisions. **Table 3** shows the FY 2013-14 Department indirect cost assessment based on the updated Department request and the JBC staff recommendation. The FY 2013-14 request represents an increase of \$569,698 from the FY 2012-13 indirect cost assessment mainly due to (1) an increase in costs for purchase of services from the state computer center, (2) an increase in statewide indirect cost recoveries, and (3) an increase in payments to the state multiuse network (MNT).

JBC Staff Figure Setting – FY 2013-14
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Table 3				
Department Indirect Cost Assessment Recommendation				
Division	Total	CF	RF	FF
Division of Reclamation, Mining, and Safety	\$498,752	\$250,311	\$0	\$248,441
Colorado Avalanche Information Center	35,514	34,564	0	950
Oil and Gas Conservation Commission	436,030	429,764	0	6,266
State Board of Land Commissioners	224,959	224,959	0	0
Division of Parks and Wildlife - Parks	1,777,457	1,739,891	0	37,566
Division of Parks and Wildlife - Wildlife	3,979,346	3,349,809	0	629,537
Colorado Water Conservation Board	501,575	491,158	0	10,417
Water Resources Division	27,619	25,379	0	2,240
Total FY 2013-14 Request	\$7,481,252	\$6,545,835	\$0	\$935,417
FY 2012-13 Indirect Cost Assessment	\$6,911,554	\$6,005,793	\$0	\$905,761
Difference (FY 14 - FY 13)	\$569,698	\$540,042	\$0	\$29,656



Appendix B: R-3 WRD Line Item Consolidation Department Responses to Common JBC Staff Questions

**Department of Natural Resources
FY 2013-14 Funding Request
November 1, 2012**

Appendix B for Decision Item R-3, DWR Line Item Consolidation

On February 7, 2012, Eric Kurtz sent a memorandum to fellow JBC staff that provided common criteria used to evaluate requests to consolidate Long Bill line items. This attachment will attempt to directly answer the common questions raised in this JBC staff memo.

1. Has the department demonstrated a problem with the current appropriations that results in inefficiencies? If the detailed appropriations are inefficient, the Department should be able to identify some specific negative consequences, such as an excessive number of supplemental requests, or foregone expenditures prohibited by the budget structure that would have made the program better.

DWR Response: While the Division of Water Resources (DWR) has not had excessive supplemental requests, the Department believes that DWR's current Long Bill line item structure is potentially misleading with regards to programmatic activities and expenditures. For example, the FY 2012-13 Long Bill contains an appropriation of \$316,364 and 5.0 FTE for "Republican River Compact Compliance." Rather than encompassing the entirety of the division's expenditures for Republic River compact compliance, as could be inferred from the title of the line, this appropriation actually reflects additional resources that were allocated to the division several years ago to better assure compliance with the Republican River Compact; this appropriation stemmed directly from the 2003 Final Settlement Stipulation (FSS) with Nebraska and Kansas regarding groundwater impacts that were not previously considered in the compact. This appropriation does not fund all division activities related to Republican River compact compliance. During any given fiscal year, DWR incurs significant expenses related to Republican River compact compliance which are funded from other lines. Water commissioners and other field staff perform the day-to-day, nuts and bolts work that is involved in monitoring compliance, and the State Engineer and other administrative staff are necessarily involved in compliance activities; these staff are funded from sources other than the Republican River Compact Compliance line, however – the division's Personal Services line, in this instance. The total resources expended by the Division of Water Resources to maintain compliance with the Republican River Compact is greater than \$316,364 and 5.0 FTE.

2. Has the department made a business case that greater administrative flexibility will improve operations? Departments should be able to give examples of what they will do with the increased flexibility, and why that will improve the program.

DWR Response: Please see answer to #1.

3. Has the department identified strong performance measures by which the effectiveness of the program can be assessed? The presence of good performance measures to indicate whether a department is making wise resource allocations may reduce the need for detailed appropriations. Much of the SMART Act focuses on performance budgeting, and so it seems reasonable to evaluate consolidation requests submitted pursuant to H.B. 10-1119 in that context.

DWR Response: In the current strategic plan, DWR has identified performance measures that are strong and do measure the effectiveness of DWR primary responsibility of managing the water/water rights. Performance measure include compliance with interstate water compacts, dam safety inspection completed, and well inspections expressed as a percent of total water wells completed.

4. Is there a known reason why the line items were separated in the first place? If so, then the follow-up question is whether any of those reasons still apply.

DWR Response: The proposed DI takes six lines and consolidates them into two new lines. Of the current six, two are the operating and the personal services lines, and the other four they were created by the legislature to track the expenditure in these lines. The Division will create a new tracking system within the accounting system (COFRS) to maintain this transparency.

5. How big are the line items that will be consolidated, and what are the fund sources? The size and fund sources for the line items are not sufficient justification for consolidation by themselves, but they may influence how much the analyst weighs the potential negative consequences associated with consolidation versus the potential positive outcomes.

DWR Response: The Republican River Compact Compliance (~\$316,000) and the Interstate Compacts (~76,000) line items are 100% financed with General Fund. The DWR's Personnel Services (~\$17.5 million) and Operating Expenses (~\$1.5 million) line items are funded predominantly with General Fund. However, roughly five percent of these two line items is appropriated out of cash funds (it should be pointed out that limited cash fund revenues have resulted in actual expenditures being close to two and a half percent (2.5%) being funded with cash funds.

The line items "Augmentation of Water for Sand and Gravel Extraction" (\$44,400) and S.B. 04-225 Well Enforcement" (\$1,489) are all 100% cash funded line items.

Part of the rationale for the request is to eliminate three very small line items (Interstate Compacts, Augmentation of Water for Sand and Gravel Extraction, and S.B. 04-225 Well Enforcement). All three line items relate to the general administration of water and water rights in Colorado. However, funding general water administration from

multiple small pots of money creates a more inefficient administration of the funding as well as being potentially misleading to the general public (as discussed in the response to Question #1). Finally, the time spent by Department budget staff, Office of State Planning and Budgeting staff, and Joint Budget Committee staff, accounting staff, and State Controller's Office staff analyzing a \$1,489 line item, booking it in the Long Bill, and separately tracking expenditures against this appropriation, seems like an inefficient process.

6. Will detailed information about expenditure patterns still be available after the consolidation? For example, if a department proposes consolidating personal services and operating expenses, the JBC will still get information on the breakout between the two in the Schedule 14. On the other hand, if a department proposes consolidating two personal services line items, will the JBC still get information on how much was spent on each distinct area?

DWR Response: Yes, DWR is planning on creating a new tracking system within the limitation of the state's accounting system (COFRS) that used to generate that information.

7. Have there been large reversions from the line items? If so, more analysis is needed. Large reversions could indicate that additional flexibility is not needed. On the other hand, large reversions may indicate that managers are budgeting too conservatively and underutilizing appropriated resources, due to concern that a lack of flexibility in the appropriation might lead to an over expenditure if the manager hires a full complement of staff and then projected vacancy savings do not occur.

DWR Response: There have not been significant reversions on any the lines DWR is requesting to consolidate. DWR has had to manage to the limitations of the lines, by holding positions open for longer periods of time or cut back on overtime or mileage for the Water Commissioners.

DWR has seen a reduction in cash revenue and therefore does not have funding to support some all of the granted spending authority in the Long Bill, thereby it appears the reversion is greater than it truly is (unfunded spending authority). Over the last few years the revenue has decreased by about \$450,000-\$475,000 per year.

Appendix C: R-3 WRD Line Item Consolidation Department Responses to JBC Questions

**Department of Natural Resources
FY 2013-14 Funding Request
November 1, 2012**

Appendix C for Decision Item R-3, DWR Line Item Consolidation

In its FY 2012-13 Budget Request, the Department of Natural Resources submitted a change request for the consolidation of line items within the Division of Water Resources. This change request was recommended for approval by JBC Staff during figuring setting. However, the change request was ultimately not approved by the Joint Budget Committee due to several questions and concerns that were raised by Committee members at the figure setting hearing. The Committee did indicate a willingness to reconsider this decision item if additional information was provided. For FY 2013-14, the Department has resubmitted essentially the same decision item as was requested in FY 2012-13. In this Attachment, the Department will attempt to answer the concerns raised by JBC members and provide additional information in support of the DWR line item consolidation request.

If, through the requested consolidation, we eliminate the Republican River Compliance and Interstate Compacts line items, won't there be a loss of transparency to the General Assembly and to the public?

Consolidating line items as proposed by the decision item will simplify DWR's section of the Long Bill but will not have any impact on programmatic operations or expenditures. If this consolidation is approved DWR will develop a comprehensive system of accounting codes (within the state's COFRS system) that will allow staff to track all DWR activity (and associated expenditures) by line item and by program area. Once this system is in place, it will be fairly straightforward to generate reports for the public or JBC staff documenting all DWR activities and expenditures related to interstate water compact compliance. The new tracking system would be in place by July 1, 2013.

Further, the Department believes that DWR's current Long Bill line item structure is potentially misleading with regards to programmatic activities and expenditures. For example, the FY 2012-13 Long Bill contains an appropriation of \$316,364 and 5.0 FTE for "Republican River Compact Compliance." Rather than encompassing the entirety of the division's expenditures for Republican River compact compliance, as could be inferred from the title of the line, this appropriation actually reflects additional resources that were allocated to the division several years ago to better assure compliance with the Republican River Compact; this appropriation stemmed directly from the 2003 Final Settlement Stipulation (FSS) with Nebraska and Kansas regarding groundwater impacts that were not previously considered in the compact. This appropriation does not fund all division activities related to Republican River compact compliance. During any given fiscal year, DWR incurs significant expenses related to Republican River compact compliance which are funded from other lines. Water commissioners and other field staff perform the day-to-day, nuts and bolts work that is involved in monitoring compliance, and the State Engineer and other administrative staff are necessarily involved in compliance activities;

these staff are funded from sources other than the Republican River Compact Compliance line, however – the division’s Personal Services line, in this instance. The total resources expended by the Division of Water Resources to maintain compliance with the Republican River Compact is greater than \$316,364 and 5.0 FTE.

Similarly, the division’s Interstate Compacts line item, if misinterpreted to be anything more than compact dues and some of the direct travel costs related to representing Colorado in Interstate Compact meetings, could be misconstrued. The cost of interstate compact compliance is far more than the \$76,002 appropriation for “Interstate Compacts” shown in the Long Bill. Belonging to and complying with interstate compacts is considerably more expensive than either of these two line items would indicate when considering the full staffing costs.

If the Division of Water Resources has greater budget flexibility resulting from line item consolidation, it would facilitate reallocating the Division’s base budget to meet the highest priority interstate compact compliance needs at any given point in time. For example, if one river in Colorado was running particularly low and interstate compact compliance was determined to be at risk, it would be easier to reallocate resources between Republican River resources (which have a separate Long Bill line item) and non-Republican River resources (which are appropriated under the general Personal Services line item).

Will the proposed consolidation impact any other state agencies, such as the Colorado Department of Law? Will it impact the State of Kansas or other states with which we have interstate compacts?

The lines that will be consolidated are comprised of General Fund and a relatively small amount of cash funds. None of these funds will be reappropriated to any other state department or transferred to any other state. DWR’s legal costs related to compact compliance are funded through the division’s Legal Services pot, which is established annually via the Common Policy process; as such the impact of line item consolidation to the Department of Law and the Attorney General’s Office is nil. Colorado (through the DWR) is responsible for dues related to several interstate compacts; these must be paid under either the existing or the proposed new line item format. Other than these dues, Colorado does not make payments to any compact governing or oversight body.

Will Colorado’s compliance with interstate water compacts be affected if the line items are consolidated?

The consolidation of line items as proposed by the decision item will not affect DWR’s compact compliance activities in any way, especially in a negative way. Indeed, the division believes that consolidation will help improve the efficiency of compliance funding. Greater budgetary flexibility will allow the Division of Water Resources to better allocate resources to its highest priorities. By combining the Personal Services and the Operating line items, for example, the division will have greater flexibility in how it responds to unanticipated increases in operating expenses for vehicles (e.g., fuel costs which impact personal mileage reimbursements as well as the variable mileage rate charged on state vehicles). If DWR has flexibility to address such increases during a budget year, it is less likely that such increases will inherently result in fewer miles driven and less field presence by DWR water commissioners. By having flexibility to address fuel cost increases, DWR is more likely to be able to temporarily absorb these increases in ways which are less damaging than telling field staff they must limit their field presence.

How are the affected line items funded?

The Republican River Compact Compliance and the Interstate Compacts line items are 100% financed with General Fund.

The DWR’s Personnel Services and Operating Expenses line items are funded predominantly with General Fund. However, roughly five percent of these two line items is appropriated out of cash funds (it should be pointed out that limited cash fund revenues have resulted in actual expenditures being close to two and a half percent (2.5%) being funded with cash funds.

The line items “Augmentation of Water for Sand and Gravel Extraction”, and S.B. 04-225 Well Enforcement” are all 100% cash funded line items.

Why is the Department proposing to split out the Well Inspection Program as a separate line item?

At the height of housing construction from roughly 2000 to 2003, new wells were being drilled at an unprecedented rate, and as such DWR requested FTE that would allow the division to inspect wells during construction for health and safety purposes. The Legislature authorized the requested FTE and funded the program through an assessed fee per permit. When the economy declined and the housing market came to essentially a standstill, the revenue for well inspection also dropped significantly. Because this program is reliant on the variable economy and thus the fees collected from well permit application DWR felt that the fluctuations in the program should be highlighted and not buried within the Personal Services and Operating lines. Below is a chart reflecting the number of permits issued over a 12 year period. However, in reviewing the chart, it is important to understand that there was a one-time increase on permits in 2010 due to the Vance v. Wolfe case, which requires the producers of coal bed methane to seek a water well permit for the extraction of tributary ground water which is produced from coal bed methane wells. This ruling resulted in an estimated 4,500 to 5,000 one-time ground water application received from coal bed methane producers in 2010. NOTE: 2011 data is not available at this time.

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Calendar Year	Number of Permits	Comments
1999	8,974	Start of the housing boom
2000	12,131	Housing boom
2001	11,515	Housing boom
2002	12,668	Housing boom
2003	11,405	Housing boom
2004	9,867	The beginning of the slow down
2005	8,795	Continuation of the slow down
2006	7,193	Continuation of the slow down
2007	6,319	Continuation of the slow down
2008	5,302	Continuation of the slow down
2009	4,498	Continuation of the slow down
2010	9,024	spike was due to the 1-time produced non-tributary ground water applications between 4500-5000
2011	4,431	Until the housing market comes back this will be the norm