

This file contains the following documents:

1. March 7, 2012, Committee Pending Decision on the Department of Natural Resources Request for a New Line Item Titled "Integrated Resource Services."
2. February 14, 2012, JBC Staff memo titled: "Department of Natural Resources. JBC Staff Figure Setting Comebacks."
3. February 14, 2012, JBC Staff document titled: FY 2012-13 Figure Setting: Department of Natural Resources. (For the Following Divisions: Executive Director's Office, Division of Parks and Wildlife, Colorado Water Conservation Board, and Water Resources Division)."

MEMORANDUM

TO: Members of the Joint Budget Committee

FROM: Viktor Bojilov, JBC Staff, 303-866-2149

SUBJECT: Committee Pending Decision on the Department of Natural Resources Request for a New Line Item Titled "Integrated Resource Services."

DATE: March 7, 2012

During the February 14, 2012, figure setting presentation for the Department of Natural Resources, the Committee did not make a decision on the Department **Request 5 - Integrated Resource Services**. Below is a discussion of the Department's request and JBC staff recommendation contained in the figure setting presentation.

Request 5. Integrated Resource Services. - The Department requests the creation of a new line item in the Executive Director's Office titled "Integrated Resources Services" to be used to facilitate payments for services between agencies of the Department. The Department requests an appropriation of \$250,000 reappropriated funds.

Staff recommends approval of this Department request and the creation of a new line item titled "Integrated Resource Services" within the Executive Director's Office with \$250,000 reappropriated funds coming from various sources. Below is a brief description of the Department request.

The Department deals with a diverse range of natural resource management issues and employees subject matter experts in a variety of scientific and technical fields. The Department states that currently, if a division needs the expertise of another division, any assistance provided would come at the detriment of the assisting agency. Because of statutory restrictions, many divisions do not have the ability to accept and expend gifts, grants, and donations. Therefore, assistance 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 workload. The Department states that, often an agency is unable to absorb the request for assistance and the requesting agency is forced to contract with private vendors, often at a higher cost.

The Department points to the following examples in which interagency payment for services would have proved beneficial to the Department:

- 1) The Colorado Water Conservation Board (CWCB) manages roundtables representing each of the river basins in Colorado, with the goal of developing basin-specific water needs assessments. In 2010 CWCB staff determined that certain modeling software would benefit from certain enhancements, requiring additional software programming. The Division of Water Resources (DWR) has significant expertise in water modeling and was willing to hire and manage programming staff to undertake this work on behalf of the CWCB. However, since the DWR is unable to accept grants and was unable

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to absorb the additional cost within its budget, DWR was unable to provide the assistance.

2) The State Board of Land Commissioners (Land Board) wishes to expand the investments in water as an asset class (Request 4 - Interagency Water Expertise is for \$120,000 cash funds in order to address this goal. **The Committee approved this Department request**). The Department states that there is a great deal of expertise within the Department in this area, and if Request 4 and Request 5 are approved, the Land Board could hire an employee from the Department at roughly \$60 an hour to help in this regard. The Department states that if Request 5 is not approved, the Land Board will need to seek outside consultants at costs as high as \$240 an hour.

3) The Land Board staff are not specialists on conservation issues. The Land Board could use the expertise within other divisions to demonstrate the value of good stewardship of the lands it manages.

The Department hopes that once funding is provided, more opportunities for efficiencies will be identified.

The way the process would work is that 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.

The Department states that it did not perform a rigorous calculation to arrive at the \$250,000 requested funding. The Department states that the \$250,000 is a rough estimate of two high-level employees with benefits for an entire year. It is anticipated that the funding will be used for many different employees working on various projects throughout the year.

The Department states that if this request is approved, as part of its annual budget request, the Department will report on how these funds have been used in the most recently completed year. As an alternative, the Department states that the General Assembly could provide the divisions of the Department with statutory authority to receive and expend gifts, grants, and donations. The Department believes that a statutory change would provide the same flexibility that the Department is seeking with this request.

MEMORANDUM

TO: Members of the Joint Budget Committee

FROM: Viktor Bojilov, JBC Staff, 303-866-2149

SUBJECT: Department of Natural Resources. JBC Staff Figure Setting Comebacks.

DATE: February 14, 2012

Subsequent to the preparation of the Department of Natural Resources (Executive Director's Office, Division of Parks and Wildlife, Colorado Water Conservation Board, and Water resources Division) FY 2012-13 Figure Setting JBC staff presentation, the Committee took action on February 9, 2012, on the following:

- Approved a 2.0 percent cut to personal services line items based on a FY 2011-12 estimate of base full- and part-time salaries.
- Approved changing state contributions for Health, Life, and Dental expenditures to match prevailing compensation.
- Changed the base on which Short-term Disability, S.B. 04-257 Amortization Equalization Disbursement, S.B. 06-235 Supplemental Amortization Equalization Disbursement, and Shift Differential are calculated.

In addition, the Department communicated to staff that they had made a mistake in the funding split calculation for Purchase of Services from Computer Center. In this memo, staff is showing the updated request. This line item is still pending Committee common policy.

The remainder of this memo explains the summary of changes listed above.

Health, Life, and Dental

The table below shows the updated Health, Life, and Dental staff recommendation based on Committee common policy from February 9, 2012, to fund up to the prevailing compensation. **Staff notes that the table below shows the total recommendation, however, the funding splits are pending finalization of all common policy-related line items. Staff recommends the Committee allow staff the flexibility to work with the department to set final funding splits for line items impacted by the indirect cost recovery common policy.**

Summary of Recommendation – Executive Director's Office Health, Life, and Dental — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	1,531,020	5,733,551	374,263	1,366,378	9,005,212
2. Indirect Cost Adjustment					PENDING
3. Common Policy Adjustment	<u>164,986</u>	<u>481,778</u>	<u>(37,514)</u>	<u>392,747</u>	<u>1,001,997</u>
Total Recommendation	1,696,006	6,215,329	336,749	1,759,125	10,007,209

Short-term Disability

The Committee approved a 2.0 percent cut to personal services line items based on a FY 2011-12 estimate of base full- and part-time salaries. This decision impacts the Short-term Disability line item. The updated calculation is shown below.

June 2011 Department of Natural Resources Annualized Base Salaries (Including a 2.0 percent cut to base salaries) for Short-term Disability Calculation			
	Full- and Part-time Base Salaries	State Temporaries	Total Base Salaries Used in Calculation
Total Funds	<u>86,091,998</u>	<u>0</u>	<u>86,091,998</u>
General Fund	14,473,793	0	14,473,793
Cash Funds*	56,497,594	0	56,497,594
Reappropriated Funds	3,041,932	0	3,041,932
Federal Funds	12,078,679	0	12,078,679

* Includes \$27,995 for base salary Shift Differential.

Based on the updated Committee common policy, staff calculation for short-term disability totals \$152,383 total funds including \$25,619 General Fund, \$100,001 cash funds, \$5,384 reappropriated funds, and \$21,397 federal funds.

S.B. 04-257 Amortization Equalization Distribution

The Committee approved a 2.0 percent cut to personal services line items based on a FY 2011-12 estimate of base full- and part-time salaries. This decision impacts the AED line item. The updated calculation is shown below.

June 2011 Department of Natural Resources Annualized Base Salaries (Including a 2.0 percent cut to base salaries) for Amortization Equalization Disbursement Calculation			
	Full- and Part-time Base Salaries	State Temporaries	Total Base Salaries Used in Calculation
Total Funds	86,091,998	11,618,898	97,710,896
General Fund	14,473,793	176,189	14,649,982
Cash Funds*	56,497,594	9,590,157	66,087,751
Reappropriated Funds	3,041,932	110,768	3,152,700
Federal Funds	12,078,679	1,741,784	13,820,463

* Includes \$27,995 for base salary Shift Differential

Based on the updated Committee common policy, staff calculation for AED is \$3,121,865 total funds including \$463,916 General Fund, \$2,114,808 cash funds, \$100,886 reappropriated funds, and \$442,255 federal funds.

S.B. 06-235 Supplemental Amortization Equalization Distribution

The Committee approved a 2.0 percent cut to personal services line items based on a FY 2011-12 estimate of base full- and part-time salaries. This decision impacts the SAED line item. The SAED calculation is made using the same base salaries described in the AED discussion above.

Based on the updated Committee common policy, staff calculation for SAED is \$2,680,945 total funds including \$396,770 General Fund, \$1,817,413 cash funds, \$86,699 reappropriated funds, and \$380,063 federal funds.

Shift Differential

The Committee approved a 2.0 percent cut to personal services line items based on a FY 2011-12 estimate of base full- and part-time salaries. This decision impacts the Shift Differential line item.

Based on the updated Committee common policy, staff calculation for Shift Differential is \$31,242 cash funds.

Purchase of Services from Computer Center

The Department informed staff that the funding splits for the request for Purchase of Services from Computer Center were miscalculated. The Department inflated its General Fund request by \$184,964 General Fund. This was related to the Department calculating a 2.0 FTE transfer to OIT as General Fund when in fact it should have been calculated as cash funds due to the fact that the two positions transferred were funded from the River Decision Support System line item from funding from the Colorado Water Conservation Board Construction Fund.

The table below shows the updated request, this line item is still pending common policy figure setting.

Summary of UPDATED Request– Executive Director's Office Purchase of Service from Computer Center — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	471,648	3,314,076	1,521,241	104,643	5,411,608
2. Common Policy Adjustments	471,422	317,161	(1,042,305)	103,848	(149,874)
3. Indirect Cost Adjustment	(443,512)	0	443,512	0	0
4. NPBA 1/3/12 OIT Staff Transfer Adjustment	<u>0</u>	<u>(150,470)</u>	<u>0</u>	<u>0</u>	<u>(150,470)</u>
Total Request	499,558	3,480,767	922,448	208,491	5,111,264

Committee Common Policy from February 9, 2012, for a 2.00 percent Base Personal Services Reduction.

The Committee approved a 2.0 percent base personal services reduction. To calculate the reduction JBC staff will start with the FY 2011-12 Estimate for Total Full and Part-time Employee expenditures in the budget request (Schedule 14). For the Department of Natural Resources, staff is also calculating the reduction on temporary employees. The 2.0 percent reduction is applied on this base and then staff calculated the associated savings to PERA using a rate of 10.15 percent and to FICA-Medicare using a rate of 1.45 percent.

The table below shows the base salaries staff used to calculate the 2.0 percent personal services reduction.

FY 2011-12 Base Personal Services Estimate (EDO, Division of Parks and Wildlife, CWCB, and Water Resources Division Only)			
	Full- and Part-time Base Salaries	State Temporaries	Total Base Salaries Used in Calculation
Total Funds	<u>75,317,867</u>	<u>10,404,602</u>	<u>85,722,469</u>
General Fund	14,943,689	166,441	15,110,130
Cash Funds*	51,202,533	10,238,161	61,440,694

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FY 2011-12 Base Personal Services Estimate (EDO, Division of Parks and Wildlife, CWCB, and Water Resources Division <u>Only</u>)			
Reappropriated Funds	3,043,743	0	3,043,743
Federal Funds	6,127,902	0	6,127,902

Based on Committee common policy, staff calculation for a 2.0 percent base personal services reduction totals \$1,913,278, including \$337,259 General Fund. Staff requests that the Committee allow staff to work with the Department to determine funding splits.

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Department Overview

The tables below summarize the updated JBC staff recommendations based on the updated calculations described above.

Summary of the Staff <u>Recommendations</u> (Executive Director's Office, Division of Parks and Wildlife, Colorado Water Conservation Board, and Water Resources Division)						
Category	GF	CF	RF	FF	Total	FTE
Department of Natural Resources (EDO, Parks and Wildlife, CWCB, Water)	\$23,429,407	\$171,223,899	\$7,375,163	\$15,539,223	\$217,567,692	1,252.6
Common Policy Adjustments ¹	818,708	2,636,489	(1,511,509)	742,430	2,686,118	0.0
Restore S.B. 11-76 PERA	384,244	1,202,478	66,881	205,845	1,859,448	0.0
Restore FY 2012 Operating Reduction	30,850	16,769	9,197	0	56,816	0.0
Additional Federal Funds	0	0	0	41,218	41,218	0.0
Indirect Cost Adjustments (EDO)	(1,310,389)	0	1,310,389	0	0	0.0
Annualize H.B. 11-1274 CWCB	0	(13,925,000)	0	0	(13,925,000)	0.0
Annualize S.B. 11-203 Species Conservation Trust Fund	0	(6,600,000)	0	0	(6,600,000)	0.0
2.0 Percent Base Personal Services Reduction	(337,259)	(1,371,307)	(67,937)	(136,775)	(1,913,278)	0.0
Indirect Cost Adjustments (other divisions except EDO)	0	(29,419)	0	(87,666)	(117,085)	0.0
Department of Natural Resources Base Recommendations	\$23,015,561	\$153,153,909	\$7,182,184	\$16,304,275	\$199,655,929	1,252.6
R-5 Integrated Resource Services	0	0	250,000	0	250,000	0.0
NP-1 Vehicle Replacements (Pending)	38,778	169,380	0	(727)	207,431	0.0
OIT Comm. Services Utilities Increase (Pending)	0	3,937	0	0	3,937	0.0
R-1 Field & Technical Support Staff (Pending)	0	1,446	0	0	1,446	0.0
OIT Staff Transfer	0	0	0	0	0	2.0
R-3 Consolidation of Division of Water Resources Line Items	0	0	0	0	0	0.0
R-6 Consolidation of Parks' GOCO	0	0	0	0	0	(3.5)
R-7 Consolidation of Parks' IT Lines	0	0	0	0	0	0.0

Summary of the Staff Recommendations (Executive Director's Office, Division of Parks and Wildlife, Colorado Water Conservation Board, and Water Resources Division)						
Category	GF	CF	RF	FF	Total	FTE
Pending Personal Services Line Items	0	0	0	0	0	0.0
Pending EDO Line Items	(2,253,244)	(14,376,493)	(1,668,031)	(503,486)	(18,801,254)	0.0
R-8 Adjustments to Leased Space	<u>(5,484)</u>	<u>(17,106)</u>	<u>0</u>	<u>2,332</u>	<u>(20,258)</u>	<u>0.0</u>
Department of Natural Resources (EDO, Parks and Wildlife, CWCB, Water) Total Recommendations	\$20,795,611	\$138,935,073	\$5,764,153	\$15,802,394	\$181,297,231	1,251.1
Change	(\$2,633,796)	(\$32,288,826)	(\$1,611,010)	\$263,171	(\$36,270,461)	(1.5)
Percent Change	-11.2%	-18.9%	-21.8%	1.7%	-16.7%	-0.1%

Executive Director's Office Updated Staff Recommendations						
Category	GF	CF	RF	FF	Total	FTE
(1) Executive Director's Office FY 2011-12 Appropriation	\$5,129,481	\$30,602,586	\$7,083,576	\$2,397,723	\$45,213,366	43.8
Common Policy Adjustments (includes PENDING items)	825,992	2,503,973	(1,511,509)	745,924	2,564,380	0.0
Annualize FY 12 Supplementals	(7,284)	132,516	0	(3,494)	121,738	0.0
Restore S.B. 11-76 PERA	0	0	66,881	0	66,881	0.0
Restore FY 2011 Operating Reduction	0	0	9,197	0	9,197	0.0
Annualize S.B. 11-203 Species Conservation Trust Fund	0	(6,600,000)	0	0	(6,600,000)	0.0
2.0 Percent Base Personal Services Reduction	0	0	(67,937)	0	(67,937)	0.0
Indirect Cost Adjustments (includes PENDING items)	<u>(1,310,389)</u>	<u>0</u>	<u>1,310,389</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Executive Director's Office Base Recommendation	\$4,637,800	\$26,639,075	\$6,890,597	\$3,140,153	\$41,307,625	43.8
R-5 Integrated Resource Services	0	0	250,000	0	250,000	0.0
NP-1 Vehicle Replacements (PENDING)	38,778	169,380	0	(727)	207,431	0.0
NPBA-2 OIT Communications Svcs. Utilities Increase	0	3,937	0	0	3,937	0.0
R-1 Field and Technical Support Staff	0	1,446	0	0	1,446	0.0
Pending EDO Line Items ¹	(2,253,244)	(14,376,493)	(1,668,031)	(503,486)	(18,801,254)	0.0
Pending Personal Services Line Items	0	0	0	0	0	0.0
NPBA-1 OIT Staff Transfer	0	(150,470)	0	0	(150,470)	0.0
R-8 Adjustments to Leased Space	<u>(5,484)</u>	<u>(17,106)</u>	<u>0</u>	<u>2,332</u>	<u>(20,258)</u>	<u>0.0</u>
(1) Executive Director's Office Total Recommendation	\$2,417,850	\$12,269,769	\$5,472,566	\$2,638,272	\$22,798,457	43.8
Change	(\$2,711,631)	(\$18,332,817)	(\$1,611,010)	\$240,549	(\$22,414,909)	0.0
Percent Change	-52.9%	-59.9%	-22.7%	10.0%	-49.6%	0.0%

Division of Parks and Wildlife Updated Staff Recommendations						
Category	GF	CF	RF	FF	Total	FTE
(6) Division of Parks and Wildlife Current Appropriation	\$0	\$116,922,626	\$0	\$12,873,560	\$129,796,186	911.0
Restore S.B. 11-76 PERA	0	1,115,518	0	203,551	1,319,069	0.0
Restore FY 2011 Operating Reduction	0	16,769	0	0	16,769	0.0
2.0 Percent Base Personal Services Reduction	0	(1,290,703)	0	(133,920)	(1,424,623)	0.0
Indirect Cost Adjustments	<u>0</u>	<u>52,484</u>	<u>0</u>	<u>(93,054)</u>	<u>(40,570)</u>	<u>0.0</u>
Division of Parks and Wildlife Base Recommendation	\$0	\$116,816,694	\$0	\$12,850,137	\$129,666,831	911.0
NPBA-1 OIT Staff Transfer	0	150,470	0	0	150,470	2.0
R-6 Consolidation of Parks' GOCO Line Items	0	0	0	0	0	(3.5)
R-7 Consolidation of Parks' IT Line Items	0	0	0	0	0	0.0
Pending Personal Services/Program Line Items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
(6) Division of Parks and Wildlife Total Recommendation	\$0	\$116,967,164	\$0	\$12,850,137	\$129,817,301	909.5
Change	\$0	\$44,538	\$0	(\$23,423)	\$21,115	(1.5)
Percent Change	n/a	0.0%	n/a	-0.2%	0.0%	-0.2%

Colorado Water Conservation Board Updated Staff Recommendations						
Category	GF	CF	RF	FF	Total	FTE
(7) Colorado Water Conservation Board Current Appropriation	\$0	\$21,835,952	\$291,587	\$138,817	\$22,266,356	45.7
Restore S.B. 11-76 PERA	0	81,079	0	2,294	83,373	0.0
Annualize H.B. 11-1274 CWCB Project Bill	0	(13,625,000)	0	0	(13,625,000)	0.0
2.0 Percent Base Personal Services Reduction	0	(77,813)	0	(2,855)	(80,668)	0.0
Indirect Cost Adjustments	0	(63,076)	0	3,991	(59,085)	<u>0.0</u>
Colorado Water Conservation Board Base Recommendation	\$0	\$8,151,142	\$291,587	\$142,247	\$8,584,976	45.7
Pending Personal Services / Program Line Items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
(7) Colorado Water Conservation Board Total Recommendation	\$0	\$8,151,142	\$291,587	\$142,247	\$8,584,976	45.7
Change	\$0	(\$13,684,810)	\$0	\$3,430	(\$13,681,380)	0.0
Percent Change	n/a	-62.7%	0.0%	2.5%	-61.4%	0.0%

Water Resources Division Updated Staff Recommendations						
Category	GF	CF	RF	FF	Total	FTE
(8) Water Resources Division Current Appropriation	\$18,299,926	\$1,862,735	\$0	\$129,123	\$20,291,784	252.1
Restore S.B. 11-76 PERA	384,244	5,881	0	0	390,125	0.0
Additional Federal Funds	0	0	0	41,218	41,218	0.0
Restore FY 2011 Operating Reduction	30,850	0	0	0	30,850	0.0
2.0 Percent Base Personal Services Reduction	(337,259)	(2,791)	0	0	(340,050)	0.0
Annualize H.B. 11-1274 CWCBC Project Bill	0	(300,000)	0	0	(300,000)	0.0
Indirect Cost Adjustments	<u>0</u>	<u>(18,827)</u>	<u>0</u>	<u>1,397</u>	<u>(17,430)</u>	<u>0.0</u>
Water Resources Division Base Recommendation	\$18,377,761	\$1,546,998	\$0	\$171,738	\$20,096,497	252.1
R-3 Consolidation of Division of Water Resources Line Items	0	0	0	0	0	0.0
Pending Personal Services / Program Line Items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
(8) Water Resources Division Total Recommendation	\$18,377,761	\$1,546,998	\$0	\$171,738	\$20,096,497	252.1
Change	\$77,835	(\$315,737)	\$0	\$42,615	(\$195,287)	0.0
Percent Change	0.4%	-17.0%	n/a	33.0%	-1.0%	0.0%

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2012-13 FIGURE SETTING:
DEPARTMENT OF NATURAL RESOURCES
(FOR THE FOLLOWING DIVISIONS:
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**

Prepared By:

**Viktor Bojilov, JBC Staff
February 14, 2012**

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**FY 2012-13 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

DEPARTMENT OF NATURAL RESOURCES

**(FOR THE FOLLOWING DIVISIONS:
EXECUTIVE DIRECTOR’S OFFICE, DIVISION OF PARKS
AND WILDLIFE, COLORADO WATER
CONSERVATION BOARD, AND WATER RESOURCES
DIVISION)**

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FY 2012-13 Joint Budget Committee Staff Budget Figure Setting
 Department of Natural Resources
 (Executive Director's Office, Parks and Wildlife, Colorado Water Conservation Board, Water Resources Division)

NUMBERS PAGES

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Recommendation	Change Requests
DEPARTMENT OF NATURAL RESOURCES						
Executive Director: Mike King						
(1) EXECUTIVE DIRECTOR'S OFFICE						
Primary functions: provides budgeting, accounting, financial management, human resources, information technology, public information, and environmental education coordination for all divisions. Cash fund sources include various funds as reflected in individual division descriptions. Reappropriated funds is comprised of statewide and departmental indirect cost recoveries.						
(A) Administration and Information Technology Services						
Personal Services	5,123,817	3,693,818	3,691,923	3,758,804	0	PENDING
FTE	<u>56.2</u>	<u>40.9</u>	<u>43.8</u>	<u>43.8</u>	<u>43.8</u>	
General Fund	85,690	0	0	0	0	
Cash Funds - Various	0	0	0	0	0	
Reappropriated Funds - S-e Ind. Cost Rec.	1,129,933	1,233,048	1,316,390	1,573,207	0	
Reappropriated Funds - Dept. Ind. Cost Rec.	3,908,194	2,460,770	2,375,533	2,185,597	0	
Health, Life, and Dental	<u>9,030,537</u>	<u>8,607,587</u>	<u>9,005,212</u>	<u>9,097,603</u>	<u>0</u>	PENDING
General Fund	1,833,678	1,762,355	1,531,020	807,613	0	
Cash Funds - Various	6,125,183	5,554,144	5,461,962	5,404,844	0	
Cash Funds - STAX	0	0	271,589	238,164	0	
Reappropriated Funds - Dept. Ind. Cost Rec.	325,693	283,926	331,302	987,321	0	
Reappropriated Funds - CDOT	0	0	42,961	46,686	0	
Federal Funds	745,983	1,007,162	1,366,378	1,612,975	0	
Short-term Disability	<u>123,206</u>	<u>131,014</u>	<u>154,967</u>	<u>155,493</u>	<u>155,493</u>	
General Fund	23,577	25,925	27,743	26,141	26,141	
Cash Funds - Various	84,920	89,956	98,246	96,365	96,365	
Cash Funds - STAX	0	0	5,509	5,677	5,677	
Reappropriated Funds - Dept. Ind. Cost Rec.	5,163	3,915	5,092	5,054	5,054	

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
Reappropriated Funds - CDOT	0	0	639	440	440	
Federal Funds	9,546	11,218	17,738	21,816	21,816	
S.B. 04-257 Amortization Equalization Disbursement	<u>1,739,502</u>	<u>2,023,033</u>	<u>2,446,227</u>	<u>2,811,167</u>	<u>3,185,576</u>	
General Fund	360,735	395,845	433,645	472,614	473,384	
Cash Funds - Various	1,141,612	1,392,875	1,554,176	1,742,181	2,052,673	
Cash Funds - STAX	0	0	87,149	102,638	105,294	
Reappropriated Funds - Dept. Ind. Cost Rec.	86,784	60,612	80,554	91,370	93,500	
Reappropriated Funds - CDOT	0	0	10,098	7,958	9,445	
Federal Funds	150,371	173,701	280,605	394,406	451,280	
S.B. 06-235 Supplemental AED	<u>1,083,002</u>	<u>1,472,224</u>	<u>1,963,386</u>	<u>2,415,847</u>	<u>2,735,659</u>	
General Fund	221,444	285,733	346,132	406,152	404,868	
Cash Funds - Various	713,508	1,015,638	1,248,892	1,497,187	1,764,014	
Cash Funds - STAX	0	0	70,030	88,205	90,489	
Reappropriated Funds - Dept. Ind. Cost Rec.	54,240	44,196	64,731	78,522	80,353	
Reappropriated Funds - CDOT	0	0	8,115	6,838	8,116	
Federal Funds	93,810	126,657	225,486	338,943	387,819	
Shift Differential	<u>9,801</u>	<u>24,774</u>	<u>17,732</u>	<u>31,879</u>	<u>31,879</u>	
General Fund	2,297	4,650	0	0	0	
Cash Funds - Various	7,504	20,124	17,732	31,879	31,879	
Workers' Compensation	<u>1,697,802</u>	<u>1,722,323</u>	<u>1,403,091</u>	<u>1,750,712</u>	<u>0</u>	PENDING
General Fund	224,577	301,919	199,253	67,888	0	
Cash Funds - Various	1,442,548	1,367,147	1,105,905	1,587,073	0	
Cash Funds - STAX	0	0	42,961	43,807	0	
Reappropriated Funds - Dept. Ind. Cost Rec.	25,284	24,913	24,310	9,090	0	
Federal Funds	5,393	28,344	30,662	42,854	0	
Operating Expenses	<u>1,132,756</u>	<u>1,143,986</u>	<u>1,241,241</u>	<u>1,250,438</u>	<u>1,250,438</u>	
Cash Funds - Various	925,811	973,464	1,052,119	1,052,119	1,052,119	
Cash Funds - STAX	6,203	5,378	8,858	8,858	8,858	
Reappropriated Funds - Dept. Ind. Cost Rec.	150,532	159,807	174,927	184,124	184,124	
Federal Funds	50,210	5,337	5,337	5,337	5,337	

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
Legal Services	3,295,151	3,309,452	3,437,991	3,437,991	0	PENDING
<i>Hours Equivalent</i>	<u>0</u>	<u>0</u>	<u>45,410</u>	<u>45,410</u>	<u>45,410</u>	
General Fund	822,587	804,794	832,772	832,772	0	
Cash Funds - Various	1,979,706	2,012,636	2,065,710	2,065,710	0	
Cash Funds - STAX	448,411	409,445	449,368	449,368	0	
Reappropriated Funds - Dept. Ind. Cost Rec.	34,331	38,299	39,520	39,520	0	
Federal Funds	10,116	44,278	50,621	50,621	0	
Purchase of Services from Computer Center	<u>647,003</u>	<u>5,007,603</u>	<u>5,411,608</u>	<u>5,173,618</u>	<u>0</u>	PENDING
General Fund	6,483	654,114	471,648	684,522	0	NPBA-1
Cash Funds - Various	480,778	3,019,990	3,314,031	3,295,758	0	
Cash Funds - STAX	27	43	45	62,399	0	
Reappropriated Funds - Dept. Ind. Cost Rec.	159,715	1,216,646	1,521,241	922,448	0	
Federal Funds	0	116,810	104,643	208,491	0	
Multiuse Network Payments	<u>1,058,888</u>	<u>1,962,865</u>	<u>2,186,240</u>	<u>2,145,800</u>	<u>0</u>	PENDING
General Fund	211,928	238,620	130,554	191,444	0	
Cash Funds - Various	777,327	1,078,277	1,364,089	1,498,662	0	
Cash Funds - STAX	4,982	1,982	11,083	17,699	0	
Reappropriated Funds - Dept. Ind. Cost Rec.	59,340	535,856	569,738	420,118	0	
Federal Funds	5,311	108,130	110,776	17,877	0	
Management and Administration of OIT	<u>203,947</u>	<u>480,635</u>	<u>549,913</u>	<u>280,608</u>	<u>0</u>	PENDING
General Fund	43,053	10,881	1,517	24,223	0	
Cash Funds - Various	141,078	228,499	290,064	168,235	0	
Cash Funds - STAX	6,525	1,014	7,438	7,636	0	
Reappropriated Funds - Dept. Ind. Cost Rec.	8,538	234,566	244,797	75,382	0	
Federal Funds	4,753	5,675	6,097	5,132	0	
Payment to Risk Management & Property Funds	<u>963,820</u>	<u>351,612</u>	<u>760,527</u>	<u>781,368</u>	<u>0</u>	PENDING
General Fund	140,499	42,552	68,601	62,937	0	
Cash Funds - Various	771,717	292,875	655,326	684,596	0	
Cash Funds - STAX	24,748	6,096	15,599	14,815	0	
Reappropriated Funds - Dept. Ind. Cost Rec.	20,325	6,317	11,964	10,958	0	

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
Federal Funds	6,531	3,772	9,037	8,062	0	
Vehicle Lease Payments	<u>2,945,589</u>	<u>3,306,953</u>	<u>2,776,937</u>	<u>3,107,552</u>	<u>0</u>	PENDING
General Fund	402,886	433,059	300,398	331,892	0	R-1, NP-1
Cash Funds - Various	2,436,341	2,762,851	2,371,853	2,678,240	0	
Cash Funds - STAX	49,084	51,916	49,041	45,996	0	
Reappropriated Funds - Dept. Ind. Cost Rec.	0	0	0	0	0	
Federal Funds	57,278	59,127	55,645	51,424	0	
Information Technology Asset Maintenance	<u>282,114</u>	<u>268,652</u>	<u>266,989</u>	<u>266,989</u>	<u>266,989</u>	
General Fund	53,383	53,746	31,628	31,628	31,628	
Cash Funds - Various	117,407	108,880	139,525	139,525	139,525	
Cash Funds - STAX	8,550	3,252	5,298	5,298	5,298	
Reappropriated Funds - Dept. Ind. Cost Rec.	90,538	90,538	90,538	90,538	90,538	
Federal Funds	12,236	12,236	0	0	0	
Leased Space	<u>1,185,090</u>	<u>1,245,988</u>	<u>1,366,140</u>	<u>1,345,882</u>	<u>1,345,882</u>	R-8
General Fund	501,682	508,481	536,714	531,230	531,230	
Cash Funds - Various	621,269	674,438	760,706	743,600	743,600	
Cash Funds - STAX	36,058	36,805	40,939	40,939	40,939	
Reappropriated Funds - Dept. Ind. Cost Rec.	0	0	0	0	0	
Federal Funds	26,081	26,264	27,781	30,113	30,113	
Capitol Complex Leased Space	<u>867,258</u>	<u>851,397</u>	<u>872,671</u>	<u>971,511</u>	<u>0</u>	PENDING
General Fund	239,471	241,965	217,856	242,530	0	
Cash Funds - Various	235,228	216,357	258,658	287,949	0	
Cash Funds - STAX	117,601	108,661	118,114	131,492	0	
Reappropriated Funds - Dept. Ind. Cost Rec.	170,071	166,960	171,126	190,515	0	
Federal Funds	104,887	117,454	106,917	119,025	0	
Integrated Resource Services (NEW LINE ITEM)	<u>0</u>	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>250,000</u>	R-5
Reappropriated Funds - Various	0	0	0	250,000	250,000	
Communications Services Payments	<u>988,238</u>	<u>981,206</u>	<u>1,060,571</u>	<u>1,152,094</u>	<u>0</u>	PENDING
General Fund	117,207	110,050	0	0	0	NPBA-2

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
Cash Funds - Various	871,031	871,156	1,060,571	1,152,094	0	
Reappropriated Funds - Dept. Ind. Cost Rec.	0	0	0	0	0	
						Recommendation vs. Appropriation
(1) (A) Administration and Information						
Technology Services	32,377,521	36,585,122	38,613,366	40,185,356	9,221,916	-76.1%
FTE	<u>56.2</u>	<u>40.9</u>	<u>43.8</u>	<u>43.8</u>	<u>43.8</u>	<u>0.0</u>
General Fund	5,291,177	5,874,689	5,129,481	4,713,586	1,467,251	-71.4%
Cash Funds - Various	18,872,968	21,679,307	22,819,565	24,126,017	5,880,175	-74.2%
Cash Funds - STAX	702,189	624,592	1,183,021	1,262,991	256,555	-78.3%
Reappropriated Funds - S-e Ind. Cost Rec.	1,129,933	1,233,048	1,316,390	1,573,207	0	-100.0%
Reappropriated Funds - Dept. Ind. Cost Rec.	5,098,748	5,327,321	5,705,373	5,290,557	453,569	-92.1%
Reappropriated Funds - CDOT	0	0	61,813	61,922	18,001	-70.9%
Reappropriated Funds - Various	0	0	0	250,000	250,000	n/a
Federal Funds	1,282,506	1,846,165	2,397,723	2,907,076	896,365	-62.6%
(B) H.B. 09-1289 (Species Cons. Trust Fund) - CF	2,186,437	0	0	0	0	n/a
(C) H.B. 10-1398 (Species Cons. Trust Fund) - CF	0	4,100,118	0	0	0	n/a
(D) S.B. 11-203 (Species Cons. Trust Fund) - CF¹	0	0	6,600,000	0	0	-100.0%
						Recommendation vs. Appropriation
(1) EXECUTIVE DIRECTOR'S OFFICE						
- SUBTOTAL (by fund source)	34,563,958	40,685,240	45,213,366	40,185,356	9,221,916	-79.6%
FTE	<u>56.2</u>	<u>40.9</u>	<u>43.8</u>	<u>43.8</u>	<u>43.8</u>	<u>0.0</u>
General Fund	5,291,177	5,874,689	5,129,481	4,713,586	1,467,251	-71.4%
Cash Funds - Various	18,872,968	21,679,307	22,819,565	24,126,017	5,880,175	-74.2%
Cash Funds - STAX	702,189	624,592	1,183,021	1,262,991	256,555	-78.3%
Cash Funds - SCTF	2,186,437	4,100,118	6,600,000	0	0	-100.0%
Reappropriated Funds - S-e Ind. Cost Rec.	1,129,933	1,233,048	1,316,390	1,573,207	0	-100.0%
Reappropriated Funds - Dept. Ind. Cost Rec.	5,098,748	5,327,321	5,705,373	5,290,557	453,569	-92.1%
Reappropriated Funds - CDOT	0	0	61,813	61,922	18,001	-70.9%
Reappropriated Funds - Various	0	0	0	250,000	250,000	n/a

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Recommendation	Change Requests
Federal Funds	1,282,506	1,846,165	2,397,723	2,907,076	896,365	-62.6%

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

(6) DIVISION OF PARKS AND WILDLIFE

Primary Parks Functions: manages new and existing parks and recreation programs throughout the State. Funding is from the Parks Cash Fund, direct lottery distribution, GOCO grants, Off-highway Vehicle Cash Fund, and other special purpose cash funds.
 Primary Wildlife Functions: protection and management of wildlife and related habitats; coordinates hunting, fishing, and watchable recreation programs; and provides education on wildlife and wildlife recreation. Funding is primarily from hunting and fishing license fees, federal funds, and GOCO grants.

(A) PARKS AND OUTDOOR RECREATION

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

PENDING; R-6
**Recommendation vs.
 Appropriation**

(I) State Park Operations - Subtotal	22,860,425	22,484,109	23,325,178	28,031,283	0	-100.0%
FTE	<u>246.7</u>	<u>248.2</u>	<u>247.3</u>	<u>269.8</u>	<u>266.3</u>	<u>19.0</u>
General Fund	1,704,815	1,630,733	0	0	0	n/a
Cash Funds - Parks Cash Fund	16,443,362	15,178,733	18,256,812	18,627,917	0	-100.0%
Cash Funds - STAX	3,381,473	3,222,920	2,243,971	2,243,971	0	-100.0%
Cash Funds - GOCO Board	0	0	0	4,335,000	0	n/a
Cash Funds - Lottery Proceeds	505,806	1,255,806	1,859,306	1,859,306	0	-100.0%
Cash Funds - Snowmobile Rec. Fund	50,058	56,975	122,690	122,690	0	-100.0%
Cash Funds - OHV Recreation Fund	7,437	7,437	7,437	7,437	0	-100.0%
Cash Funds - Various	362,054	695,142	396,254	396,254	0	-100.0%
Federal Funds - USBR	405,420	436,363	438,708	438,708	0	-100.0%

(II) Great Outdoors Colorado (GOCO) Board Grants

Land and Water Protection - Total Line Item	353,813	514,378	709,000	0	0	R-6
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	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
FTE	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds - GOCO Board	353,813	514,378	709,000	0	0	
Operations and Maintenance - Total Line Item	1,888,545	1,993,781	1,969,000	0	0	R-6
FTE	<u>12.3</u>	<u>12.1</u>	<u>14.5</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds - GOCO Board	1,888,545	1,993,781	1,969,000	0	0	
Statewide Programs - Total Line Item	1,135,002	1,376,831	1,657,000	0	0	R-6
FTE	<u>5.0</u>	<u>4.8</u>	<u>6.0</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds - GOCO Board	1,135,002	1,376,831	1,657,000	0	0	
						Recommendation vs. Appropriation
(II) GOCO Board Grants - Subtotal	3,377,360	3,884,990	4,335,000	0	0	-100.0%
FTE	<u>19.3</u>	<u>18.9</u>	<u>22.5</u>	<u>0.0</u>	<u>0.0</u>	<u>(22.5)</u>
Cash Funds - GOCO Board	3,377,360	3,884,990	4,335,000	0	0	-100.0%
(III) Special Purpose						
Snowmobile Program - Total Line Item	854,351	838,433	999,848	1,000,924	0	PENDING
FTE	<u>1.0</u>	<u>1.0</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	
Cash Funds - Snowmobile Rec. Fund	854,351	838,433	999,848	1,000,924	0	
River Outfitters Regulation - Total Line Item	72,849	71,027	142,966	142,966	0	PENDING
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	
Cash Funds - River Outfitters Cash Fund	72,849	71,027	104,466	104,466	0	
Cash Funds - Parks Cash Fund	0	0	38,500	38,500	0	
Off-highway Vehicle Program - Total Line Item	244,970	532,000	529,265	532,501	0	PENDING
FTE	<u>2.3</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	
Cash Funds - OHV Recreation Fund	244,970	532,000	529,265	532,501	0	
Off-highway Vehicle Grants - OHV Recreation Fund	0	3,114,056	4,000,000	4,000,000	4,000,000	
Federal Grants - Federal Funds - USCG	533,145	624,221	750,000	750,000	750,000	

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
S.B. 03-290 Enterprise Fund - Parks Cash Fund	239,508	340,531	200,000	200,000	200,000	
System Operations and Support - Lottery Proceeds	545,289	540,591	661,500	0	0	R-7
Connectivity at State Parks - Lottery Proceeds	179,319	149,309	370,000	0	0	R-7
Asset Management - Lottery Proceeds	347,161	279,017	270,000	0	0	R-7
Information Technology - Lottery Proceeds (NEW LINE ITEM)	0	0	0	1,301,500	1,301,500	R-7
Law Enforcement Equipment - Lottery Proceeds	0	0	0	0	0	
Natural Resource Protection	<u>0</u>	<u>382,691</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	
Cash Funds - GOCO Board	0	242,802	150,000	150,000	150,000	
Federal Funds - FEMA	0	139,889	450,000	450,000	450,000	
Miscellaneous Small Projects - Lottery Funds	0	2,330,756	2,000,000	2,000,000	2,000,000	
Trails Grants	<u>0</u>	<u>1,792,566</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>	
Cash Funds - GOCO Board	0	1,193,063	1,650,000	1,650,000	1,650,000	
Cash Funds - Lottery Proceeds	0	248,472	150,000	150,000	150,000	
Federal Funds - USDI	0	351,031	400,000	400,000	400,000	
S.B. 08-226 Aquatic Nuisance Species - Total Line Item	2,120,613	2,067,497	2,677,067	2,684,673	0	PENDING
FTE	<u>6.0</u>	<u>6.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	
Cash Funds - Parks ANS Fund	2,120,613	2,067,497	2,677,067	2,684,673	0	
Indirect Cost Assessment	<u>1,392,189</u>	<u>1,559,067</u>	<u>1,630,268</u>	<u>1,630,331</u>	<u>1,630,331</u>	
Cash Funds - Parks Cash Fund	1,131,790	1,179,251	1,328,630	1,332,312	1,332,312	
Cash Funds - STAX	90,534	94,390	254,469	253,051	253,051	
Federal Funds - USCG and USBR	169,865	285,426	47,169	44,968	44,968	
(III) Special Purpose - Subtotal (by Fund Source)	6,529,394	14,621,762	17,030,914	17,042,895	12,681,831	Recommendation vs. Appropriation -25.5%

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
FTE	<u>9.3</u>	<u>10.0</u>	<u>11.8</u>	<u>11.8</u>	<u>11.8</u>	<u>0.0</u>
Cash Funds - Snowmobile Rec. Fund	854,351	838,433	999,848	1,000,924	0	-100.0%
Cash Funds - River Outfitters Cash Fund	72,849	71,027	104,466	104,466	0	-100.0%
Cash Funds - Parks Cash Fund	1,371,298	1,519,782	1,567,130	1,570,812	1,532,312	-2.2%
Cash Funds - OHV Recreation Fund	244,970	3,646,056	4,529,265	4,532,501	4,000,000	-11.7%
Cash Funds - Lottery Proceeds	1,071,769	3,548,145	3,451,500	3,451,500	3,451,500	0.0%
Cash Funds - GOCO Board	0	1,435,865	1,800,000	1,800,000	1,800,000	0.0%
Cash Funds - Parks ANS Fund	2,120,613	2,067,497	2,677,067	2,684,673	0	-100.0%
Cash Funds - STAX	90,534	94,390	254,469	253,051	253,051	-0.6%
Federal Funds - FEMA	0	139,889	450,000	450,000	450,000	0.0%
Federal Funds - USDI	0	351,031	400,000	400,000	400,000	0.0%
Federal Funds - USCG and USBR	703,010	909,647	797,169	794,968	794,968	-0.3%

Recommendation vs. Appropriation

(A) PARKS AND OUTDOOR RECREATION						
- SUBTOTAL (by fund source)	32,767,179	40,990,861	44,691,092	45,074,178	12,681,831	-71.6%
FTE	<u>275.3</u>	<u>277.1</u>	<u>281.6</u>	<u>281.6</u>	<u>278.1</u>	<u>(3.5)</u>
General Fund	1,704,815	1,630,733	0	0	0	n/a
Cash Funds - Parks Cash Fund	17,814,660	16,698,515	19,823,942	20,198,729	1,532,312	-92.3%
Cash Funds - GOCO Board	3,377,360	5,320,855	6,135,000	6,135,000	1,800,000	-70.7%
Cash Funds - Lottery Proceeds	1,577,575	4,803,951	5,310,806	5,310,806	3,451,500	-35.0%
Cash Funds - OHV Recreation Fund	252,407	3,653,493	4,536,702	4,539,938	4,000,000	-11.8%
Cash Funds - STAX	3,472,007	3,317,310	2,498,440	2,497,022	253,051	-89.9%
Cash Funds - Parks ANS Fund	2,120,613	2,067,497	2,677,067	2,684,673	0	-100.0%
Cash Funds - Snowmobile Rec. Fund	854,351	838,433	999,848	1,000,924	0	-100.0%
Cash Funds - River Outfitters Cash Fund	72,849	71,027	104,466	104,466	0	-100.0%
Cash Funds - Snowmobile Rec. Fund	50,058	56,975	122,690	122,690	0	-100.0%
Cash Funds - Various	362,054	695,142	396,254	396,254	0	-100.0%
Federal Funds - USCG and USBR	1,108,430	1,346,010	1,235,877	1,233,676	794,968	-35.7%
Federal Funds - USDI	0	351,031	400,000	400,000	400,000	0.0%
Federal Funds - FEMA	0	139,889	450,000	450,000	450,000	0.0%

(B) WILDLIFE

Primary Function: Supports protection and management wildlife and related habitats; coordinates management of hunting, fishing, and watchable recreation programs; and provides education on wildlife and wildlife recreation.

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests

(I) Division Operations

Director's Office - Total Line Item	1,597,443	1,429,786	2,011,518	2,037,530	0	
FTE	<u>12.9</u>	<u>11.9</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	PENDING
Cash Funds - Wildlife Cash Fund	1,337,039	1,300,051	1,897,496	1,917,951	0	
Cash Funds - GOCO	0	0	0	0	0	
Cash Funds - STAX	0	0	0	0	0	
Cash Funds - Wildlife Mgt. Public Ed. Fund	0	0	0	0	0	
Cash Funds - Colorado Outdoors Magazine	0	0	0	0	0	
Cash Funds - Cash Grants and Donations	0	0	0	0	0	
Cash Funds - Federal Aid Projects Income Fund	0	0	0	0	0	
Federal Funds - Unspecified	260,404	129,735	114,022	119,579	0	
Wildlife Management - Total Line Item	64,005,276	66,231,312	63,677,184	64,681,781	0	PENDING
FTE	<u>567.8</u>	<u>570.6</u>	<u>551.4</u>	<u>553.4</u>	<u>553.4</u>	NPBA-1
Cash Funds - Wildlife Cash Fund	40,826,123	42,918,652	45,923,914	46,737,707	0	
Cash Funds - GOCO	6,200,000	5,963,336	6,200,000	6,200,000	0	
Cash Funds - STAX	1,296,773	1,433,074	0	0	0	
Cash Funds - Wildlife Mgt. Public Ed. Fund	1,047,553	836,663	900,000	900,000	0	
Cash Funds - Colorado Outdoors Magazine	470,435	458,528	500,000	500,000	0	
Cash Funds - Cash Grants and Donations	97,610	110,207	150,000	150,000	0	
Cash Funds - Federal Aid Projects Income Fund	0	0	15,000	15,000	0	
Federal Funds - Unspecified	14,066,782	14,510,852	9,988,270	10,179,074	0	
Technical Services - Total Line Item	5,639,890	5,855,370	6,463,423	6,536,099	0	PENDING
FTE	<u>53.5</u>	<u>52.6</u>	<u>60.0</u>	<u>60.0</u>	<u>60.0</u>	
Cash Funds - Wildlife Cash Fund	5,520,817	5,737,163	6,455,347	6,520,833	0	
Cash Funds - GOCO	115,825	118,207	0	0	0	
Cash Funds - STAX	0	0	0	0	0	
Cash Funds - Wildlife Mgt. Public Ed. Fund	0	0	0	0	0	
Cash Funds - Colorado Outdoors Magazine	0	0	0	0	0	
Cash Funds - Cash Grants and Donations	0	0	0	0	0	
Cash Funds - Federal Aid Projects Income Fund	0	0	0	0	0	
Federal Funds - Unspecified	3,248	0	8,076	15,266	0	

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
Information Technology - Total Line Item	1,992,909	899,597	1,580,395	1,580,395	1,580,395	
FTE	<u>14.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds - Wildlife Cash Fund	1,992,909	899,597	1,580,395	1,580,395	1,580,395	
Cash Funds - GOCO	0	0	0	0	0	
Cash Funds - STAX	0	0	0	0	0	
Cash Funds - Wildlife Mgt. Public Ed. Fund	0	0	0	0	0	
Cash Funds - Colorado Outdoors Magazine	0	0	0	0	0	
Cash Funds - Cash Grants and Donations	0	0	0	0	0	
Cash Funds - Federal Aid Projects Income Fund	0	0	0	0	0	
Federal Funds - Unspecified	0	0	0	0	0	
						Recommendation vs. Appropriation
(I) Division Operations - Subtotal (by fund source)	73,235,518	74,416,065	73,732,520	74,835,805	1,580,395	-97.9%
FTE	<u>648.8</u>	<u>635.1</u>	<u>629.4</u>	<u>631.4</u>	<u>631.4</u>	<u>2.0</u>
Cash Funds - Wildlife Cash Fund	49,676,888	50,855,463	55,857,152	56,756,886	1,580,395	-97.2%
Cash Funds - GOCO	6,315,825	6,081,543	6,200,000	6,200,000	0	-100.0%
Cash Funds - STAX	1,296,773	1,433,074	0	0	0	n/a
Cash Funds - Wildlife Mgt. Public Ed. Fund	1,047,553	836,663	900,000	900,000	0	-100.0%
Cash Funds - Colorado Outdoors Magazine	470,435	458,528	500,000	500,000	0	-100.0%
Cash Funds - Cash Grants and Donations	97,610	110,207	150,000	150,000	0	-100.0%
Cash Funds - Federal Aid Projects Income Fund	0	0	15,000	15,000	0	-100.0%
Federal Funds - Unspecified	14,330,434	14,640,587	10,110,368	10,313,919	0	-100.0%
(II) 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 - Wildlife Cash Fund	0	0	160,000	160,000	160,000	
Cash Funds - STAX	0	0	0	0	0	
Game Damage Claims and Prevention						
Cash Funds - Wildlife Cash Fund	1,186,480	937,337	1,282,500	1,282,500	1,282,500	
Instream Flow Program						
Cash Funds - Wildlife Cash Fund	296,027	296,027	296,027	296,027	296,027	

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
Habitat Partnership Program						
Cash Funds - Habitat Partnership Cash Fund	2,236,253	2,341,575	2,500,000	2,500,000	2,500,000	
S.B. 08-226 Aquatic Nuisance Species						
Cash Funds - Aquatic Nuisance Species Fund	1,872,538	1,705,519	1,304,544	1,304,544	1,304,544	
Grants and Habitat Partnerships	0	179,773	1,625,000	1,625,000	1,625,000	
Cash Funds - Wildlife Cash Fund	0	179,773	1,475,000	1,475,000	1,475,000	
Cash Funds - Waterfowl Stamps	0	0	150,000	150,000	150,000	
Asset Maintenance and Repairs						
Cash Funds - Wildlife Cash Fund	0	211,125	606,880	606,880	606,880	
Indirect Cost Assessment	3,230,271	3,891,428	3,597,623	3,556,990	3,556,990	
Cash Funds - Wildlife Cash Fund	3,230,271	2,946,661	2,920,308	2,970,528	2,970,528	
Federal Funds - Unspecified	0	944,767	677,315	586,462	586,462	
						Recommendation vs. Appropriation
(II) Special Purpose - Subtotal (by fund source)	<u>8,821,569</u>	<u>9,562,784</u>	<u>11,372,574</u>	<u>11,331,941</u>	<u>11,331,941</u>	<u>-0.4%</u>
Cash Funds - Wildlife Cash Fund	4,712,778	4,570,923	6,740,715	6,790,935	6,790,935	0.7%
Cash Funds - STAX	0	0	0	0	0	n/a
Cash Funds - Habitat Partnership Cash Fund	2,236,253	2,341,575	2,500,000	2,500,000	2,500,000	0.0%
Cash Funds - Aquatic Nuisance Species Cash Fund	1,872,538	1,705,519	1,304,544	1,304,544	1,304,544	0.0%
Cash Funds - Waterfowl Stamps	0	0	150,000	150,000	150,000	0.0%
Federal Funds - Unspecified	0	944,767	677,315	586,462	586,462	-13.4%
						Recommendation vs. Appropriation
(B) WILDLIFE - SUBTOTAL (by fund source)	82,057,087	83,978,849	85,105,094	86,167,746	12,912,336	-84.8%
FTE	648.8	635.1	629.4	631.4	631.4	2.0
Cash Funds - Wildlife Cash Fund	54,389,666	55,426,386	62,597,867	63,547,821	8,371,330	-86.6%
Cash Funds - GOCO	6,315,825	6,081,543	6,200,000	6,200,000	0	-100.0%
Cash Funds - STAX	1,296,773	1,433,074	0	0	0	n/a
Cash Funds - Wildlife Mgt. Public Ed. Fund	1,047,553	836,663	900,000	900,000	0	-100.0%
Cash Funds - Colorado Outdoors Magazine	470,435	458,528	500,000	500,000	0	-100.0%

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
Cash Funds - Cash Grants and Donations	97,610	110,207	150,000	150,000	0	-100.0%
Cash Funds - Federal Aid Projects Income Fund	0	0	15,000	15,000	0	-100.0%
Cash Funds - Habitat Partnership Cash Fund	2,236,253	2,341,575	2,500,000	2,500,000	2,500,000	0.0%
Cash Funds - Aquatic Nuisance Species Cash Fund	1,872,538	1,705,519	1,304,544	1,304,544	1,304,544	0.0%
Cash Funds - Waterfowl Stamps	0	0	150,000	150,000	150,000	0.0%
Federal Funds - Unspecified	14,330,434	15,585,354	10,787,683	10,900,381	586,462	-94.6%
						Recommendation vs. Appropriation
(6) DIVISION OF PARKS AND WILDLIFE						
- SUBTOTAL	114,824,266	124,969,710	129,796,186	131,241,924	25,594,167	-80.3%
FTE	<u>924.1</u>	<u>912.2</u>	<u>911.0</u>	<u>913.0</u>	<u>909.5</u>	<u>(1.5)</u>
General Fund	1,704,815	1,630,733	0	0	0	n/a
Cash Funds	97,680,587	105,916,693	116,922,626	118,257,867	23,362,737	-80.0%
Federal Funds	15,438,864	17,422,284	12,873,560	12,984,057	2,231,430	-82.7%

(7) COLORADO WATER CONSERVATION BOARD

Primary Functions: Responsible for water development and planning, as well as floodplain management.
The primary cash fund source is the Colorado Water Conservation Board Construction Fund.

(A) Administration

Personal Services	2,696,057	2,493,004	2,847,996	2,914,947	0	PENDING
FTE	<u>30.3</u>	<u>28.4</u>	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	
Cash Funds - CWCB Construction Fund	2,356,280	2,153,227	2,512,659	2,579,610	0	
Cash Funds - STAX	43,750	43,750	43,750	43,750	0	
Reappropriated Funds - Wildlife Cash Fund	296,027	296,027	291,587	291,587	0	
Operating Expenses	<u>85,366</u>	<u>94,740</u>	<u>472,761</u>	<u>472,761</u>	<u>472,761</u>	
Cash Funds - CWCB Construction Fund	85,366	94,740	472,761	472,761	472,761	
Cash Funds - STAX	0	0	0	0	0	
Interstate Compacts - CWCB Construction Fund	327,989	349,962	0	0	0	
Western States Water Council Dues - CWCB Construction Fund	27,500	27,500	0	0	0	
River Decision Support Systems - Total Line Item	535,327	452,782	447,881	456,784	0	PENDING

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
FTE	<u>5.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	
Cash Funds - CWCB Construction Fund	535,327	452,782	447,881	456,784	0	
						Recommendation vs. Appropriation
(A) Administration - Subtotal	3,672,239	3,417,988	3,768,638	3,844,492	472,761	-87.5%
FTE	<u>35.3</u>	<u>32.4</u>	<u>34.0</u>	<u>34.0</u>	<u>34.0</u>	<u>0.0</u>
Cash Funds - CWCB Construction Fund	3,332,462	3,078,211	3,433,301	3,509,155	472,761	-86.2%
Cash Funds - STAX	43,750	43,750	43,750	43,750	0	-100.0%
Reappropriated Funds - Wildlife Cash Fund	296,027	296,027	291,587	291,587	0	-100.0%
(B) Special Purpose						
Intrastate Water Management and Development - CWCB Construction Fund	207,700	414,892	470,464	470,464	470,464	
Federal Emergency Management Assistance	120,375	85,767	141,634	143,928	0	PENDING
FTE	<u>1.8</u>	<u>1.5</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds - CWCB Construction Fund	0	0	13,732	13,732	0	
Federal Funds - Unspecified	120,375	85,767	127,902	130,196	0	
Weather Modification - Weather Modification Permit Fees	7,148	11,170	25,000	25,000	25,000	
Water Conservation Program - Total Line Item	238,993	269,484	279,941	285,166	0	PENDING
FTE	<u>3.0</u>	<u>3.5</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	
Cash Funds - CWCB Construction Fund	238,993	269,484	279,941	285,166	0	
H.B. 05-1254 Water Efficiency Grant Program - Total Line Item	266,153	562,602	598,788	598,788	0	PENDING
FTE	<u>0.9</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds - CWCB Construction Fund	0	80,414	100,000	100,000	0	
Cash Funds - Water Effic. Grant Prog. Cash Fund	266,153	482,188	498,788	498,788	0	
Severance Tax Fund - STAX	1,249,037	1,256,402	1,275,500	1,275,500	1,275,500	
Interbasin Compacts - Total Line Item	682,919	1,259,368	1,141,167	1,141,167	0	PENDING

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
FTE	<u>3.6</u>	<u>3.7</u>	<u>3.7</u>	<u>3.7</u>	<u>3.7</u>	
Cash Funds - Interbasin Compact C-tee. Op. Fund	682,919	859,368	741,167	741,167	0	
Cash Funds - CWCB Construction Fund	0	400,000	400,000	400,000	0	
Platte River Basin Cooperative Agreement - Total Line Item	167,688	144,392	231,534	231,534	0	PENDING
FTE	<u>0.8</u>	<u>0.8</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds - Fish and Wildlife Resources Fund	167,688	144,392	231,534	231,534	0	
S.B. 02-87 Colorado Watershed Protection Fund - Colorado Healthy Rivers Fund	174,429	127,407	119,942	119,942	119,942	
Indirect Cost Assessment	<u>507,619</u>	<u>535,510</u>	<u>588,748</u>	<u>529,663</u>	<u>529,663</u>	
Cash Funds - CWCB Construction Fund	472,542	501,706	577,833	514,757	514,757	
Federal Funds - Unspecified	35,077	33,804	10,915	14,906	14,906	
Water Construction Fund Bill ² - CWCB Construction Fund	4,266,351	1,322,685	13,625,000	0	0	
						Recommendation vs. Appropriation
(B) Special Purpose - Subtotal (by fund source)	7,888,412	5,989,679	18,497,718	4,821,152	2,420,569	-86.9%
FTE	<u>10.1</u>	<u>10.5</u>	<u>11.7</u>	<u>11.7</u>	<u>11.7</u>	<u>0.0</u>
Cash Funds - CWCB Construction Fund	5,185,586	2,989,181	15,466,970	1,784,119	985,221	-93.6%
Cash Funds - Weather Modification Permit Fees	7,148	11,170	25,000	25,000	25,000	0.0%
Cash Funds - Water Effic. Grant Prog. Cash Fund	266,153	482,188	498,788	498,788	0	-100.0%
Cash Funds - STAX	1,249,037	1,256,402	1,275,500	1,275,500	1,275,500	0.0%
Cash Funds - Interbasin Compact C-tee. Op. Fund	682,919	859,368	741,167	741,167	0	-100.0%
Cash Funds - Fish and Wildlife Resources Fund	167,688	144,392	231,534	231,534	0	-100.0%
Cash Funds - Colorado Healthy Rivers Fund	174,429	127,407	119,942	119,942	119,942	0.0%
Federal Funds - Unspecified	155,452	119,571	138,817	145,102	14,906	-89.3%
						Recommendation vs. Appropriation
(7) COLORADO WATER CONSERVATION BOARD						
- SUBTOTAL (by fund source)	11,560,651	9,407,667	22,266,356	8,665,644	2,893,330	-87.0%

¹ Department request to change the name of line item to "Water Efficiency Grant Program".

² Funding for this area is provided through a special bill: the annual water projects bill (H.B. 11-1274).

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
FTE	45.4	42.9	45.7	45.7	45.7	0.0
Cash Funds - CWCB Construction Fund	8,518,048	6,067,392	18,900,271	5,293,274	1,457,982	-92.3%
Cash Funds - Weather Modification Permit Fees	7,148	11,170	25,000	25,000	25,000	0.0%
Cash Funds - Water Effic. Grant Prog. Cash Fund	266,153	482,188	498,788	498,788	0	-100.0%
Cash Funds - STAX	1,292,787	1,300,152	1,319,250	1,319,250	1,275,500	-3.3%
Cash Funds - Interbasin Compact C-tee. Op. Fund	682,919	859,368	741,167	741,167	0	-100.0%
Cash Funds - Fish and Wildlife Resources Fund	167,688	144,392	231,534	231,534	0	-100.0%
Cash Funds - Colorado Healthy Rivers Fund	174,429	127,407	119,942	119,942	119,942	0.0%
Reappropriated Funds - Wildlife Cash Fund	296,027	296,027	291,587	291,587	0	-100.0%
Federal Funds - Unspecified	155,452	119,571	138,817	145,102	14,906	-89.3%

(8) WATER RESOURCES DIVISION ("State Engineer's Office")

Primary functions: responsible for administration of the State's water resources.

Cash funds include the Groundwater Management Cash Fund, Well Inspection Cash Fund and CWCB Construction Fund.

(A) Divison Operations (NEW SUB-DIVISION)

Water Administration - Total Line Item (NEW LINE ITEM)	0	0	0	19,162,021	0	PENDING
FTE	0.0	0.0	0.0	245.1	245.1	R-3
General Fund	0	0	0	18,520,052	0	
Cash Funds - Ground Water Management Cash Fund	0	0	0	538,133	0	
Cash Funds - Well Inspection Cash Fund	0	0	0	0	0	
<i>Cash Funds - Well Enforcement Cash Fund</i>	0	0	0	1,489	0	
<i>Cash Funds - Gravel Pit Lakes Augmentation Fund</i>	0	0	0	44,400	0	
Cash Funds - Various Sources	0	0	0	57,947	0	
Well Inspection - Total Line Item (NEW LINE ITEM)	0	0	0	359,990	0	PENDING
FTE	0.0	0.0	0.0	3.0	3.0	R-3
Cash Funds - Well Inspection Cash Fund	0	0	0	359,990	0	
Personal Services	17,522,694	17,123,610	17,276,471	0	0	R-3
FTE	239.0	233.4	243.1	0.0	0.0	
General Fund	17,173,432	16,920,509	16,762,664	0	0	
Cash Funds - Ground Water Management Cash Fund	137,556	0	289,201	0	0	
Cash Funds - Well Inspection Cash Fund	206,146	203,101	193,464	0	0	

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
Cash Funds - Various Sources	5,560	0	31,142	0	0	
Operating Expenses	<u>1,378,480</u>	<u>1,316,401</u>	<u>1,399,974</u>	<u>0</u>	<u>0</u>	R-3
General Fund	991,041	960,466	960,466	0	0	
Cash Funds - Ground Water Management Cash Fund	324,768	287,786	247,381	0	0	
Cash Funds - Well Inspection Cash Fund	50,697	45,297	165,489	0	0	
Cash Funds - Various Sources	11,974	22,852	26,638	0	0	
Interstate Compacts - General Fund	75,993	73,896	76,002	0	0	R-3
Republican River Compact Compliance - Total Line Item	314,254	309,346	309,422	0	0	R-3
FTE	<u>4.2</u>	<u>4.7</u>	<u>5.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	314,254	309,346	309,422	0	0	
Satellite Monitoring System - Total Line Item	393,881	367,207	396,261	399,857	0	
FTE	<u>1.9</u>	<u>1.5</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	PENDING
General Fund	211,890	192,142	191,372	194,968	0	
Cash Funds - Satellite Monitoring System Cash Fund	181,991	175,065	204,889	204,889	0	
Augmentation of Water for Sand and Gravel Extraction -						
Cash Funds - Gravel Pit Lakes Augmentation Fund	25,835	20,121	44,400	0	0	R-3
Dam Emergency Repair -						
Cash Funds - CWCB Construction Fund	0	0	50,000	50,000	50,000	
Federal Grant - Federal Funds (FEMA and USBR)	130,268	155,705	126,042	167,260	167,260	
River Decision Support Systems - Total Line Item	381,382	205,371	203,106	206,232	0	PENDING
FTE	<u>3.6</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds - CWCB Construction Fund	381,382	205,371	203,106	206,232	0	
H.B. 03-1334 Temporary Interruptible Water Supply Agreements -						
Cash Funds - Ground Water Management Cash Fund	0	0	61,589	61,589	61,589	

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	
	Actual	Actual	Appropriation	Request	Recommendation	Change Requests
S.B. 04-225 Well Enforcement -						
Cash Funds - Well Enforcement Cash Fund	0	0	1,489	0	0	R-3
Indirect Cost Assessment	<u>45,847</u>	<u>35,042</u>	<u>47,028</u>	<u>29,598</u>	<u>29,598</u>	
Cash Funds - CWCB Construction Fund	20,000	14,774	19,920	10,109	10,109	
Cash Funds - Various Sources	20,849	20,268	24,027	15,011	15,011	
Federal Funds - Unspecified	4,998	0	3,081	4,478	4,478	
Water Construction Fund Bill -						
Cash Funds - CWCB Construction Fund	329,484	295,576	300,000	0	0	
						Recommendation vs. Appropriation
(8) WATER RESOURCES DIVISION -						
SUBTOTAL (by fund source)	20,598,118	19,902,275	20,291,784	20,436,547	308,447	-98.5%
FTE	<u>248.7</u>	<u>241.6</u>	<u>252.1</u>	<u>252.1</u>	<u>252.1</u>	<u>0.0</u>
General Fund	18,766,610	18,456,359	18,299,926	18,715,020	0	-100.0%
Cash Funds - Ground Water Management Cash Fund	462,324	287,786	598,171	599,722	61,589	-89.7%
Cash Funds - Well Inspection Cash Fund	256,843	248,398	358,953	359,990	0	-100.0%
Cash Funds - Satellite Monitoring System Cash Fund	181,991	175,065	204,889	204,889	0	-100.0%
Cash Funds - Gravel Pit Lakes Augmentation Fund	25,835	20,121	44,400	44,400	0	-100.0%
Cash Funds - CWCB Construction Fund	730,866	515,721	573,026	266,341	60,109	-89.5%
Cash Funds - Well Enforcement Cash Fund	0	0	1,489	1,489	0	-100.0%
Cash Funds - Various Sources	38,383	43,120	81,807	72,958	15,011	-81.7%
Federal Funds - FEMA and USBR	130,268	155,705	126,042	167,260	167,260	32.7%
Federal Funds - Unspecified	4,998	0	3,081	4,478	4,478	45.3%
						Recommendation vs. Appropriation
DEPARTMENT OF NATURAL RESOURCES (EDO, Parks and Wildlife, CWCB, WRD)						
TOTAL FUNDS	181,546,993	194,964,892	217,567,692	200,529,471	38,017,860	-82.5%
FTE	<u>1,274.4</u>	<u>1,237.6</u>	<u>1,252.6</u>	<u>1,254.6</u>	<u>1,251.1</u>	<u>(1.5)</u>
General Fund	25,762,602	25,961,781	23,429,407	23,428,606	1,467,251	-93.7%
Cash Funds	132,247,595	142,602,990	171,223,899	153,425,619	32,514,600	-81.0%
Reappropriated Funds	6,524,708	6,856,396	7,375,163	7,467,273	721,570	-90.2%
Federal Funds	17,012,088	19,543,725	15,539,223	16,207,973	3,314,439	-78.7%

**DEPARTMENT OF NATURAL RESOURCES
FIGURE SETTING FY 2012-13**

JBC Working Papers - Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

**(For the Following Divisions Only:
Executive Director's Office, Division of Parks
and Wildlife, Colorado Water
Conservation Board, and Water Resources
Division)**

SMART Act Recommendations from the House Agriculture, Livestock, and Natural Resources Committee and the 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 25, 2012, and voted 8-5 to support the Department of Natural Resources budget with the exception of the request for five additional FTE for the Colorado Oil and Gas Conservation Commission. The Committee would like these FTE to be filled with existing FTE vacancies in the department. The Colorado Oil and Gas Conservation Commission figure setting will be discussed in a separate figure setting packet.

The Senate Agriculture, Natural Resources, and Energy Committee met on January 19, 2012, the committee did not make any recommendations regarding the Department of Natural Resources.

Both letters are attached to this document as Appendices.

**Summary of the Department Request
(Executive Director's Office, Division of Parks and Wildlife, Colorado Water
Conservation Board, and Water Resources Division)**

Category	GF	CF	RF	FF	Total	FTE
Department of Natural Resources (EDO, Parks and Wildlife, CWCB, Water)	\$23,422,123	\$171,356,415	\$7,375,163	\$15,535,729	\$217,689,430	1,252.6
Restore S.B. 11-76 PERA	384,244	1,202,478	66,881	205,845	1,859,448	0.0
Common Policy Adjustments ^{/1}	868,484	1,246,719	(1,544,357)	511,242	1,082,088	0.0
Restore FY 2012 Operating Reduction	30,850	16,769	9,197	0	56,816	0.0
Additional Federal Funds	0	0	0	41,218	41,218	0.0
Indirect Cost Adjustments (EDO)	(1,310,389)	0	1,310,389	0	0	0.0
Annualize H.B. 11-1274 CWCB	0	(13,925,000)	0	0	(13,925,000)	0.0
Annualize S.B. 11-203 Species Conservation Trust Fund	0	(6,600,000)	0	0	(6,600,000)	0.0
Indirect Cost Adjustments (other divisions except EDO)	0	(29,419)	0	(87,666)	(117,085)	0.0
Department of Natural Resources Base Request	\$23,395,312	\$153,267,962	\$7,217,273	\$16,206,368	\$200,086,915	1,252.6
R-5 Integrated Resource Services	0	0	250,000	0	250,000	0.0
NP-1 Vehicle Replacements	38,778	169,380	0	(727)	207,431	0.0
OIT Comm. Services Utilities Increase	0	3,937	0	0	3,937	0.0
R-1 Field & Technical Support Staff	0	1,446	0	0	1,446	0.0
OIT Staff Transfer	0	0	0	0	0	2.0
R-3 Consolidation of Division of Water Resources Line Items	0	0	0	0	0	0.0
R-6 Consolidation of Parks' GOCO	0	0	0	0	0	0.0
R-7 Consolidation of Parks' IT Lines	0	0	0	0	0	0.0
R-8 Adjustments to Leased Space	<u>(5,484)</u>	<u>(17,106)</u>	<u>0</u>	<u>2,332</u>	<u>(20,258)</u>	<u>0.0</u>
Department of Natural Resources (EDO, Parks and Wildlife, CWCB, Water) Total Request	\$23,428,606	\$153,425,619	\$7,467,273	\$16,207,973	\$200,529,471	1,254.6
Change	\$6,483	(\$17,930,796)	\$92,110	\$672,244	(\$17,159,959)	2.0
Percent Change	0.0%	-10.5%	1.2%	4.3%	-7.9%	0.2%

/1 Common Policy Adjustments includes changes to the following line items: Health, Life, and Dental; Short-term Disability; S.B. 04-257 Amortization Equalization Disbursement, S.B. 06-235 Supplemental Amortization Equalization Disbursement; Shift Differential; Workers' Compensation; Purchase of Services from Computer Center; Multiuse Network Payments; Management and Administration fo OIT; Payment to Risk Management and Property Funds; Capitol Complex Leased Space; and Communications Services Payments.

Summary of the Staff Recommendations
(Executive Director's Office, Division of Parks and Wildlife, Colorado Water Conservation Board, and Water Resources Division)

Category	GF	CF	RF	FF	Total	FTE
Department of Natural Resources (EDO, Parks and Wildlife, CWCB, Water)	\$23,422,123	\$171,356,415	\$7,375,163	\$15,535,729	\$217,689,430	1,252.6
Restore S.B. 11-76 PERA	384,244	1,202,478	66,881	205,845	1,859,448	0.0
Common Policy Adjustments ¹	867,970	1,828,978	(1,537,631)	616,992	1,776,309	0.0
Restore FY 2012 Operating Reduction	30,850	16,769	9,197	0	56,816	0.0
Additional Federal Funds	0	0	0	41,218	41,218	0.0
Indirect Cost Adjustments (EDO)	(1,310,389)	0	1,310,389	0	0	0.0
Annualize H.B. 11-1274 CWCB	0	(13,925,000)	0	0	(13,925,000)	0.0
Annualize S.B. 11-203 Species Conservation Trust Fund	0	(6,600,000)	0	0	(6,600,000)	0.0
Indirect Cost Adjustments (other divisions except EDO)	0	(29,419)	0	(87,666)	(117,085)	0.0
Department of Natural Resources Base Recommendations	\$23,394,798	\$153,850,221	\$7,223,999	\$16,312,118	\$200,781,136	1,252.6
R-5 Integrated Resource Services	0	0	250,000	0	250,000	0.0
NP-1 Vehicle Replacements	38,778	169,380	0	(727)	207,431	0.0
OIT Comm. Services Utilities Increase	0	3,937	0	0	3,937	0.0
R-1 Field & Technical Support Staff	0	1,446	0	0	1,446	0.0
OIT Staff Transfer	0	0	0	0	0	2.0
R-3 Consolidation of Division of Water Resources Line Items	0	0	0	0	0	0.0
R-6 Consolidation of Parks' GOCO	0	0	0	0	0	0.0
R-7 Consolidation of Parks' IT Lines	0	0	0	0	0	0.0
Pending Personal Services Line Items	(18,715,020)	(101,658,741)	(4,050,391)	(10,882,823)	(135,306,975)	0.0
Pending EDO Line Items	(3,245,821)	(19,834,537)	(2,702,038)	(2,116,461)	(27,898,857)	0.0
R-8 Adjustments to Leased Space	(5,484)	(17,106)	0	2,332	(20,258)	0.0
Department of Natural Resources (EDO, Parks and Wildlife, CWCB, Water) Total Recommendations	\$1,467,251	\$32,514,600	\$721,570	\$3,314,439	\$38,017,860	1,254.6
Change	(\$21,954,872)	(\$138,841,815)	(\$6,653,593)	(\$12,221,290)	(\$179,671,570)	2.0
Percent Change	-93.7%	-81.0%	-90.2%	-78.7%	-82.5%	0.2%

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) Administration

Authority for the Department of Natural Resources and the Executive Director of the Department is set in 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. Sub-programs 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 - Directs and manages the centralized bookkeeping and procurement operations for the Department, which includes an operating budget of \$242.5 million, a capital construction budget of \$34.4 million, and revenues exceeding \$300.0 million.

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.

Information Technology - Prior to FY 2010-11 (S.B. 08-155 consolidated the responsibility for information technology (IT) oversight of most of the state's executive branch agencies in the Governor's Office of Information Technology (OIT); in FY 2010-11, funding and FTE were physically moved to OIT), this section was responsible for the establishment, update, and enforcement of IT strategies, plans, policies, standards, and procedures as provided by guidance received from the Governor's Office, the Executive Director, and the DNR IT Executive Board.

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) Health, Life, and Dental, (2) Shift Differential, (3) Workers' Compensation, (4) Legal Services, (5) Purchase of Services from Computer Center, (6) Multiuse Network Payments, (7) Management and Administration of OIT, (8) Payments to Risk Management and Property Funds, (9) Vehicle Lease Payments, (10) Capitol Complex Leased Space, and (11) Communication Services Payments.**

Staff will make a recommendation to the JBC for the number of hours for legal services. The appropriation for "Legal Services" will be calculated using the number of approved legal services hours and the blended rate approved by the JBC for the Department of Law's Legal Services to State Agencies.

In addition, as of the preparation of this figure setting document, the Committee had not taken action on the Personal Services Common Policy calculation, the item that is pending is whether the Committee will have a base personal services reduction. As a result, all line items that have personal services in this department, including program line items, will be listed as pending Committee common policy on a base personal services reduction.

The table below shows the **Department request** for the Executive Director's Office for FY 2012-13.

Requested Changes, FY 2011-12 to FY 2012-13, Executive Director's Office

Category	GF	CF	RF	FF	Total	FTE
(1) Executive Director's Office FY 2011-12 Appropriation	\$5,129,481	\$30,602,586	\$7,083,576	\$2,397,723	\$45,213,366	43.8
Common Policy Adjustments	868,484	1,246,719	(1,544,357)	511,242	1,082,088	0.0
Annualize FY 12 Supplementals	(7,284)	132,516	0	(3,494)	121,738	0.0
Restore S.B. 11-76 PERA	0	0	66,881	0	66,881	0.0
Restore FY 2011 Operating Reduction	0	0	9,197	0	9,197	0.0
Annualize S.B. 11-203 Species Conservation Trust Fund	0	(6,600,000)	0	0	(6,600,000)	0.0
Indirect Cost Adjustments	(1,310,389)	0	1,310,389	0	0	0.0
Executive Director's Office Base Request	\$4,680,292	\$25,381,821	\$6,925,686	\$2,905,471	\$39,893,270	43.8
R-5 Integrated Resource Services	0	0	250,000	0	250,000	0.0
NP-1 Vehicle Replacements	38,778	169,380	0	(727)	207,431	0.0

Category	GF	CF	RF	FF	Total	FTE
NPBA-2 OIT Communications Svcs. Utilities Increase	0	3,937	0	0	3,937	0.0
R-1 Field and Technical Support Staff	0	1,446	0	0	1,446	0.0
NPBA-1 OIT Staff Transfer	0	(150,470)	0	0	(150,470)	0.0
R-8 Adjustments to Leased Space	<u>(5,484)</u>	<u>(17,106)</u>	<u>0</u>	<u>2,332</u>	<u>(20,258)</u>	<u>0.0</u>
(1) Executive Director's Office Total Request	\$4,713,586	\$25,389,008	\$7,175,686	\$2,907,076	\$40,185,356	43.8
Change	(\$415,895)	(\$5,213,578)	\$92,110	\$509,353	(\$5,028,010)	0.0
Percent Change	-8.1%	-17.0%	1.3%	21.2%	-11.1%	0.0%

The table below shows the **staff recommendation** for the Executive Director's Office for FY 2012-13. Staff notes that the recommendation includes several pending items that the Committee has not taken action on yet. Staff will adjust these items depending on Committee action:

Staff Recommendation, FY 2011-12 to FY 2012-13, Executive Director's Office

Category	GF	CF	RF	FF	Total	FTE
(1) Executive Director's Office FY 2011-12 Appropriation	\$5,129,481	\$30,602,586	\$7,083,576	\$2,397,723	\$45,213,366	43.8
Common Policy Adjustments (includes PENDING items)	867,970	1,828,978	(1,537,631)	616,992	1,776,309	0.0
Annualize FY 12 Supplementals	(7,284)	132,516	0	(3,494)	121,738	0.0
Restore S.B. 11-76 PERA	0	0	66,881	0	66,881	0.0
Restore FY 2011 Operating Reduction	0	0	9,197	0	9,197	0.0
Annualize S.B. 11-203 Species Conservation Trust Fund	0	(6,600,000)	0	0	(6,600,000)	0.0
Indirect Cost Adjustments (includes PENDING items)	<u>(1,310,389)</u>	<u>0</u>	<u>1,310,389</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Executive Director's Office Base Recommendation	\$4,679,778	\$25,964,080	\$6,932,412	\$3,011,221	\$40,587,491	43.8
R-5 Integrated Resource Services	0	0	250,000	0	250,000	0.0
NP-1 Vehicle Replacements (PENDING)	38,778	169,380	0	(727)	207,431	0.0
NPBA-2 OIT Communications Svcs. Utilities Increase	0	3,937	0	0	3,937	0.0
R-1 Field and Technical Support Staff	0	1,446	0	0	1,446	0.0
Pending EDO Line Items ¹	(3,245,821)	(19,834,537)	(2,702,038)	(2,116,461)	(27,898,857)	0.0
Pending Personal Services Line Items	0	0	(3,758,804)	0	(3,758,804)	0.0

Category	GF	CF	RF	FF	Total	FTE
NPBA-1 OIT Staff Transfer	0	(150,470)	0	0	(150,470)	0.0
R-8 Adjustments to Leased Space	(5,484)	(17,106)	0	2,332	(20,258)	0.0
(1) Executive Director's Office Total Recommendation	\$1,467,251	\$6,136,730	\$721,570	\$896,365	\$9,221,916	43.8
Change	(\$3,662,230)	(\$24,465,856)	(\$6,362,006)	(\$1,501,358)	(\$35,991,450)	0.0
Percent Change	-71.4%	-79.9%	-89.8%	-62.6%	-79.6%	0.0%

¹ Pending EDO Line Items includes funding for the following: Health, Life, and Dental; Workers' Compensation; Legal Services; Purchase of Services from Computer Center; Multiuse Network Payments; Management and Administration OIT; Payment to Risk Management & Property Funds; Vehicle Lease Payments; Capitol Complex Leased Space; Communications Services Payments.

² Pending Personal Services Line Items includes funding for the EDO, Personal Services line item due to the fact that as of the preparation of this document, the Joint Budget Committee had not reached a decision as to whether to include a base personal services reduction as part of the calculation of personal services line items in the FY 2012-13 budget.

Indirect Cost Plan Funding. An indirect cost plan submitted by the Department in November 2011 is shown in the tables below:

Actual Personal Services Expenditures FY 2010-11 (From Department FY 2012-13 Indirect Cost Plan)					
Division	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total
EDO	\$0	\$2,174,316	\$3,737,526	\$0	\$5,911,842
Division of Reclamation, Mining, and Safety	0	3,038,111	0	3,740,463	6,778,574
Geological Survey	0	2,391,450	532,363	267,597	3,191,410
Oil and Gas Conservation Commission	0	6,352,189	0	86,769	6,438,958
State Board of Land Commissioners	0	3,272,609	0	0	3,272,609
Parks and Outdoor Recreation	1,642,533	23,975,167	0	726,638	26,344,338
Colorado Water Conservation Board	0	7,289,266	0	1,269,501	8,558,767
Water Resources Division	19,650,733	405,909	0	72,360	20,129,002
Division of Wildlife	0	48,000,412	0	9,476,567	57,476,979
Total	\$21,293,266	\$96,899,429	\$4,269,889	\$15,639,895	\$138,102,479
Total (w/o EDO)	\$21,293,266	\$94,725,113	\$532,363	\$15,639,895	\$132,190,637
Percent share (w/o EDO)	16.1%	71.7%	0.4%	11.8%	

* Numbers may not add due to rounding.

Department of Natural Resources Indirect Cost Pool for FY 2012-13 Request (Based on FY 2010-11 actual expenditures)

Indirect Cost Pool (Department Request)	Amount
<i>Statewide Indirect Cost Pool (including General Fund Share)</i>	<i>1,573,207</i>
<i>Department Indirect Cost Pool</i>	
EDO Personal Services	4,049,016
EDO Operating Expenses	159,807
Workers' Compensation	24,913
Purchase of Services from Computer Center	1,051,557
Management and Administration of OIT	202,801
IT Asset Maintenance	90,538
Multiuse Network Payments	463,290
Capitol Complex Leased Space	166,960
Payment to Risk Management and Property Funds	6,317
Legal Services	38,299
Audit Charges	159,491
Equipment Use	<u>194,483</u>
Total Department Indirect Cost Pool	<u>6,607,472</u>
Total Indirect Cost Pool (Statewide and Department)	8,180,679
No Indirect Costs Collected for General Fund Personal Services	<u>(1,269,125)</u>
Total Recoverable Indirect Costs	6,911,554

* Numbers may not add due to rounding.

The State Controller has calculated the Department of Natural Resources' total *statewide* indirect cost number for FY 2012-13 to be \$1,573,207 (including General Fund). The *statewide* indirect cost number excluding General Fund is \$1,301,170. Starting with the FY 2010-11 figure setting, staff recommended that the Department use the statewide indirect cost amount that includes General Fund in calculating the total recoverable indirect costs. The reasoning for this recommendation is based on the fact that the Department excludes General Fund line items when calculating recoverable indirect costs.

The \$1,269,125 amount for which indirect cost recoveries are not collected is comprised of \$1,216,095 associated with General Fund costs not collected in the Division of Water Resources and \$53,081 not collected in the Colorado Geological Survey pursuant to Section 34-1-105, C.R.S., that states that the Survey set and collect fees so that it can provide recover the direct costs of the Division.

The table below shows the Department's indirect cost recoveries by division and fund source and the associated indirect cost allocation in the Executive Director's Office.

FY 2012-13 Department of Natural Resources Indirect Cost Analysis and Funding Request			
<u>Indirect Cost Allocation</u>	Departmental	Statewide	Total
EDO - Personal Services	2,457,634	1,301,170	3,758,804
EDO - Other Expenses*	<u>3,152,750</u>	<u>0</u>	<u>3,152,750</u>
Total Indirect Cost Allocation	5,610,384	1,301,170	6,911,554
<u>Indirect Cost Recoveries</u>	From DNR Cash Plan	From Federal Recovery Plan	Total Recovery
Division of Reclamation, Mining, and Safety	186,684	232,811	419,495
Geological Survey	127,706	16,715	144,421
Oil and Gas Conservation Commission	393,108	5,420	398,528
State Board of Land Commissioners	202,527	0	202,527
Division of Parks and Wildlife - Parks	1,585,363	44,968	1,630,331
Division of Parks and Wildlife - Wildlife	2,970,529	586,462	3,556,991
Colorado Water Conservation Board	514,757	14,906	529,663
Water Resources Division	<u>25,120</u>	<u>4,478</u>	<u>29,598</u>
Total Indirect Cost Recovery	6,005,794	905,760	6,911,554
Total Indirect Cost Recovery Surplus/(Deficit for General Fund to Cover)			0

* "Other Expenses" include funding for operating expenses; health, live, and dental; short-term disability; AED; SAED; workers' compensation; payment to risk management and property funds; capitol complex leased space; legal services; purchase of services from computer center; multiuse network payments; IT asset maintenance; management and administration of OIT. Staff notes that due to the fact that many of these lines are pending, the total indirect cost recovery surplus/(deficit) may change.

Staff recommendation on FY 2012-13 Indirect Cost Plan. Starting with FY 2011-12, General Fund appropriations in State Parks was completely refinanced with cash funds. Based on this, staff recommends that the Department continue to assess and collect indirect costs on 100.0 percent of State Parks operations.

Staff recommends the Committee approve a FY 2012-13 recoverable indirect cost amount for the Department of Natural Resources totaling \$6,911,554.

As noted above, many line items remain pending, as such, final amounts and funding splits will be determined upon Committee action on pending line items, indirect cost allocations, and the determination of final funding splits for affected line items. Staff requests that the Committee allow staff to work with JBC common policy analysts and the Department to come up with final funding splits for line items.

Personal Services

Executive Directors Office Staffing Summary	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Recommendation
Management and Administration	13.9	14.8	14.8	14.8
Accounting	17.3	19.0	19.0	19.0
Human Resources	9.7	10.0	10.0	10.0
Information Technology	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	40.9	43.8	43.8	43.8

The Department request for personal services for the Executive Director's Office is for \$3,758,804 reappropriated funds (\$2,185,597 department indirect cost recoveries and \$1,573,207 statewide indirect cost recoveries) and 43.8 FTE.

Staff recommendation for the EDO Personal Services line item is PENDING Committee action on the Base Personal Services Reduction. The remainder of the recommendation is based on Committee common policy including the following adjustments:

- 1). FY 2011-12 appropriation as a starting base;
- 2). Restore S.B. 11-076 for the 2.5 percent one-year PERA contribution swap between employer and employee;
- 3). Based on Committee Common Policy, staff recommends that \$1,301,170 of the appropriation be from statewide indirect cost recoveries;
- 4). As of the time of preparation of this presentation, the Committee had not yet made a decision on whether to include a base personal services reduction for FY 2012-13.

Staff recommendation for the Personal Services line item in the EDO is PENDING Committee Action on the Base Personal Services Reduction Common Policy. The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation – Executive Director's Office Personal Services — Department of Natural Resources					
	GF	CF	RF	Total	FTE
1. FY 2011-12 Appropriation	0	0	3,691,923	3,691,923	43.8
2. Restore S.B. 11-076: 2.5 % PERA	0	0	66,881	66,881	0.0

Summary of Recommendation – Executive Director's Office Personal Services — Department of Natural Resources					
	GF	CF	RF	Total	FTE
3. Indirect Cost Adjustment	0	0	0	0	0.0
4. JBC Common Policy to Reduce Personal Services Line Items (PENDING)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Continuation Estimate				PENDING	43.8
5. No Change Requests	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Total Recommendation				PENDING	43.8

Health, Life, and Dental

The table below shows the current request submitted by the Department.

Summary of Request – Executive Director's Office Health, Life, and Dental — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	1,531,020	5,733,551	374,263	1,366,378	9,005,212
2. Indirect Cost Adjustment	(727,319)	0	727,319	0	0
3. Common Policy Adjustment	<u>3,912</u>	<u>(90,543)</u>	<u>(67,575)</u>	<u>246,597</u>	<u>92,391</u>
Total Request	807,613	5,643,008	1,034,007	1,612,975	9,097,603

This line item pays for the state contribution to health insurance, life insurance, and dental insurance.

Staff recommendation on the Health, Life, and Dental line item is PENDING Committee action.

Short-term Disability

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Short-term Disability — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	27,743	103,755	5,731	17,738	154,967
2. Common Policy Adjustments	(1,602)	(1,713)	(237)	4,078	526
Total Request	26,141	102,042	5,494	21,816	155,493

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.

The short-term disability rate is not changing from FY 2011-12. The Committee approved a common policy for Short-term Disability based on a rate of 0.177 percent and annual salaries based on a June 2011 salary snap shot for departments and any changes to base salary assumptions. Because the Department of Natural Resources uses a large number of state temporary FTE in the summer, using

the June salary snap shot would over-state the need for the Department. The Department removed all state temporary FTE from the base salary assumptions for purposes of calculating short-term disability.

June 2011 Department of Natural Resources Annualized Base Salaries for Short-term Disability Calculation			
	Full- and Part-time Base Salaries	State Temporaries	Total Base Salaries Used in Calculation
Total Funds	<u>87,848,978</u>	<u>0</u>	<u>87,848,978</u>
General Fund	14,769,177	0	14,769,177
Cash Funds*	57,650,606	0	57,650,606
Reappropriated Funds	3,104,012	0	3,104,012
Federal Funds	12,325,183	0	12,325,183

* Includes \$28,566 for base salary Shift Differential.

Based on the Committee common policy, staff calculation for short-term disability agrees with the department request and totals \$155,493 total funds including \$26,141 General Fund, \$102,042 cash funds, \$5,494 reappropriated funds, and \$21,816 federal funds.

S.B. 04-257 Amortization Equalization Distribution

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office S.B. 04-257 Amortization Equalization Distribution — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	433,645	1,641,325	90,652	280,605	2,446,227
2. Common Policy Adjustments	<u>38,969</u>	<u>203,494</u>	<u>8,676</u>	<u>113,801</u>	<u>364,940</u>
Total Request	472,614	1,844,819	99,328	394,406	2,811,167

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).

The Department added back all state temporary FTE from the base salary assumptions for purposes of calculating AED. The state is required to make contributions to the Public Employees Retirement Association (PERA), S.B. 04-257 Amortization Equalization Disbursement (AED), S.B. 06-235 Supplemental Amortization Equalization Disbursement (SAED), and Medicare for these positions. The JBC common policy analyst worked with the Department to "normalize" the salaries for the state

temporary employees for the fiscal year and added back state temporary base salaries totaling \$11,856,019, including \$179,785 General Fund, \$9,785,874 cash funds, \$113,029 reappropriated funds, and \$1,777,331 federal funds.

June 2011 Department of Natural Resources Annualized Base Salaries for Amortization Equalization Disbursement Calculation			
	Full- and Part-time Base Salaries	State Temporaries	Total Base Salaries Used in Calculation
Total Funds	<u>87,848,978</u>	<u>11,856,019</u>	<u>99,704,997</u>
General Fund	14,769,177	179,785	14,948,962
Cash Funds*	57,650,606	9,785,874	67,436,480
Reappropriated Funds	3,104,012	113,029	3,217,041
Federal Funds	12,325,183	1,777,331	14,102,514

* Includes \$28,566 for base salary Shift Differential.

The staff recommendation is based on Committee common policy and differs from the request. Staff used a blended FY 2012-13 AED rate of 3.17 percent for General Fund (due to the pay-date shift) and a blended rate of 3.20 percent for all other funds (3.0 percent for calendar year 2012 and 3.4 percent for calendar year 2013).

Based on the above described policy, staff calculation is for \$3,185,576 total funds including \$473,384 General Fund, \$2,157,967 cash funds, \$102,945 reappropriated funds, and \$451,280 federal funds.

S.B. 06-235 Supplemental Amortization Equalization Distribution

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office					
S.B. 06-235 Supplemental Amortization Equalization Distribution — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	346,132	1,318,922	72,846	225,486	1,963,386
2. Common Policy Adjustments	<u>60,020</u>	<u>266,470</u>	<u>12,514</u>	<u>113,457</u>	<u>452,461</u>
Total Request	406,152	1,585,392	85,360	338,943	2,415,847

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. Even though no salary increases have been granted in recent years due to the budget shortfall, 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).

The staff recommendation is based on Committee common policy and differs from the request. Staff used a blended FY 2012-13 SAED rate of 2.71 percent for General Fund (due to the pay-date shift) and a blended rate of 2.75 percent for all other funds (2.5 percent for calendar year 2012 and 3.0 percent for calendar year 2013).

Based on the above described policy, staff calculation is for \$2,735,659 total funds including \$404,868 General Fund, \$1,854,503 cash funds, \$88,469 reappropriated funds, and \$387,819 federal funds.

Salary Survey and Senior Executive Service

Staff recommends no funding for salary survey for FY 2012-13 pursuant to Committee common policy.

Performance-based Pay Awards

Staff recommends no funding for performance-based pay for FY 2012-13 pursuant to Committee common policy.

Shift Differential

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Shift Differential — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	0	17,732	0	0	17,732
2. Common Policy Adjustments	0	14,147	0	0	14,147
Total Request	0	31,879	0	0	31,879

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.

The Committee has set a common policy for shift differential based on funding at 80.0 percent of the FY 2010-11 actual expenditures.

Staff recommends funding the Department's request of \$31,879 based on Committee common policy.

Workers' Compensation

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Workers' Compensation — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	199,253	1,148,866	24,310	30,662	1,403,091
2. Common Policy Adjustments	(131,365)	482,014	(15,220)	12,192	347,621
Total Request	67,888	1,630,880	9,090	42,854	1,750,712

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

Operating Expenses

The table below shows the Department request for EDO, Operating Expenses. Staff notes that the majority of expenses are related to Division of Parks and Wildlife capital outlay related expenditures.

Summary of Request – Executive Director's Office Operating Expenses — Department of Natural Resources				
	CF	RF	FF	Total
1. FY 2011-12 Appropriation	1,060,977	174,927	5,337	1,241,241
2. Restore FY 11 Operating Reduction	0	9,197	0	9,197
Total Request	1,060,977	184,124	5,337	1,250,438

For FY 2012-13, the Department requests an increase of \$9,197 reappropriated funds (indirect cost recoveries) related to the restoration of an operating cut taken in FY 2010-11 as a budget balancing action. As a General Fund budget balancing measure, the operating cut affected several of the Department's General Fund Operating Expenses line items that were funded with General Fund or reappropriated funds where the source was General Fund. The request was for the reductions to be in effect for FY 2010-11 and FY 2011-12. Per OSPB instructions, Departments were allowed the flexibility to determine best places to make the reductions, but were asked to make the reductions within line items related to general administration expenses. The table below shows the assumptions for the calculation of the request.

Calculation of Operating Reduction for FY 2011 and FY 2012				
Line Item	Portion of Line Containing Operating Funds	Total Line Item	Operating Expense (GF and RF ONLY)	Reduction
EDO, Operating Expenses	100 Percent Operating Line Item	1,250,255	183,941	(9,197)
Parks and Outdoor Recreation, State Park	20 Percent Operating Line Item	24,448,829	335,375	(16,769)

Calculation of Operating Reduction for FY 2011 and FY 2012				
Line Item	Portion of Line Containing Operating Funds	Total Line Item	Operating Expense (GF and RF ONLY) ¹	Reduction
Operations				
Division of Water Resources, Operating Expenses	100 Percent Operating Line Item	1,429,996	617,012	(30,851)
Total Reduction				(56,817)

1. Includes only those operating expenses line items funded with General Fund or reappropriated funds from indirect cost recoveries.

Staff recommends the Committee approve the restoration of the operating cut originally taken in FY 2010-11 and totaling \$56,817 (\$9,197 in the EDO). Staff recommends the Department request including total funding of \$1,250,438 (\$1,060,977 cash funds, \$184,124 indirect costs, and \$5,337 federal funds).

Legal Services

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Legal Services — Department of Natural Resources						
	GF	CF	RF	FF	Total	Legal Hours
1. FY 2011-12 Appropriation	832,772	2,515,078	39,520	50,621	3,437,991	45,410
2. Legal Services Costs Adjustment (PENDING)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Request	832,772	2,515,078	39,520	50,621	3,437,991	45,410

The table below shows actual legal services expenditures by division for FY 2010-11.

FY 2010-11 Actual Legal Services Expenditures for 45,106 hours at a Blended Legal Rate of \$73.37/hour						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Legal Hours
Executive Director's Office	\$38,299	\$0	\$0	\$38,299	\$0	522
Division of Reclamation, Mining, and Safety	453,723	0	409,445	0	44,278	6,184
Geological Survey	0	0	0	0	0	0
Oil and Gas Conservation Commission	201,159	0	201,159	0	0	2,742

FY 2010-11 Actual Legal Services Expenditures for 45,106 hours at a Blended Legal Rate of \$73.37/hour						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Legal Hours
State Board of Land Commissioners	466,563	0	466,563	0	0	6,359
Parks and Outdoor Recreation	286,884	4,109	282,775	0	0	3,910
Colorado Water Conservation Board	451,653	0	451,653	0	0	6,156
Water Resources Division	810,796	800,685	10,111	0	0	11,051
Division of Wildlife	600,375	0	600,375	0	0	8,183
	\$3,309,452	\$804,794	\$2,422,081	\$38,299	\$44,278	45,106

Staff recommends the Committee approve a continuation appropriation for legal services hours for the Department totaling 45,410 hours. The dollar amount for the associated hours remains PENDING until the Committee approves the budget for the Department of Law.

Purchase of Services from Computer Center

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office					
Purchase of Service from Computer Center — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	471,648	3,314,076	1,521,241	104,643	5,411,608
2. Common Policy Adjustments	656,386	194,551	(1,042,305)	103,848	(87,520)
3. Indirect Cost Adjustment	(443,512)	0	443,512	0	0
4. NPBA 1/3/12 OIT Staff Transfer Adjustment	0	(150,470)	0	0	(150,470)
Total Request	684,522	3,358,157	922,448	208,491	5,173,618

The staff recommendation is PENDING the approval of a common policy by the Committee related to Purchase of Services from Computer Center. Staff recommends the Committee approve the Department request to transfer funding and associated 2.0 FTE from the Office of Information Technology to the Division of Wildlife.

- **Non-prioritized Budget Amendment: OIT Staff Transfer -Technical Adjustment -** On January 3, 2012, the Department submitted a non-prioritized budget amendment to reduce the appropriation to the Purchase of Services from Computer Center line item by \$150,470 and increase the appropriation to the Division of Parks and Wildlife, Wildlife, Division Operations, Wildlife Management by \$150,470 and 2.0 FTE. This is a request submitted by

the Office of Information Technology to return 2.0 FTE to the Division of Parks and Wildlife and \$172,108 and 2.0 FTE to the Department of Public Health and Environment. The OIT and the Department state that during the OIT consolidation every OIT-related FTE was transferred out of departments. However, the 2.0 FTE in Wildlife have been determined to be highly specialized positions that have more of a program function than IT function.

The Department states that one of the positions is an IT Professional I that provides network support specific to the Geographic Information System (GIS) Unit and specialized need of GIS data, hardware and software. The primary job of the GIS Unit is to collect/update/analyze spatial wildlife data and create maps for the agency. The IT Professional also maintains servers and software licenses for the unit and provides GIS support (maps & data) for water quality and scientific collection permit process.

The other position is an IT Professional II that maintains master GIS database for the GIS Unit. Also provides GIS analysis for GIS Unit specific to large databases. Provides general GIS support (maps & data) for unit.

The Department states that the State has not come up with a uniform way of classifying GIS people. A very few are IT, but others are general professionals (GP's), or Physical scientists (PS/RS). The Department states that there is not a clean classification methodology in the state personnel system to uniformly and consistently classify a position as either IT-related or program related, such as is the case with the 2.0 FTE described above.

Multiuse Network Payments

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Multiuse Network Payments — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	130,554	1,375,172	569,738	110,776	2,186,240
2. Common Policy Adjustments	184,929	141,189	(273,659)	(92,899)	(40,440)
3. Indirect Cost Adjustment	<u>(124,039)</u>	<u>0</u>	<u>124,039</u>	<u>0</u>	<u>0</u>
Total Request	191,444	1,516,361	420,118	17,877	2,145,800

The staff recommendation is PENDING the approval of a common policy by the Committee related to Multiuse Network Payments.

Management and Administration of OIT

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Management and Administration of OIT — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	1,517	297,502	244,797	6,097	549,913

Summary of Request– Executive Director's Office Management and Administration of OIT — Department of Natural Resources					
	GF	CF	RF	FF	Total
2. Common Policy Adjustments	38,225	(121,631)	(184,934)	(965)	(269,305)
3. Indirect Cost Adjustment	<u>(15,519)</u>	<u>0</u>	<u>15,519</u>	<u>0</u>	<u>0</u>
Total Request	24,223	175,871	75,382	5,132	280,608

The staff recommendation is **PENDING** the approval of a common policy by the Committee related to Management and Administration of OIT.

Payment to Risk Management and Property Funds

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Payment to Risk Management and Property Funds — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	68,601	670,925	11,964	9,037	760,527
2. Common Policy Adjustments	<u>(5,664)</u>	<u>28,486</u>	<u>(1,006)</u>	<u>(975)</u>	<u>20,841</u>
Total Request	62,937	699,411	10,958	8,062	781,368

The staff recommendation is **PENDING** the approval of a common policy by the Committee related to the Payment to Risk Management and Property Funds line item.

Vehicle Lease Payments

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Vehicle Lease Payments — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	293,114	2,553,410	0	52,151	2,898,675
2. FY 2011-12 Supplemental (H.B. 12-1192)	7,284	(132,516)	0	3,494	(121,738)
3. Annualize FY 2011-12 Supplemental	(7,284)	132,516	0	(3,494)	121,738
4. R-1 Field and Technical Support Staff	0	1,446	0	0	1,446
5. NP-1 FY 2011-12 Statewide Vehicle Replacements	<u>38,778</u>	<u>169,380</u>	<u>0</u>	<u>(727)</u>	<u>207,431</u>
Total Request	331,892	2,724,236	0	51,424	3,107,552

This line item funds the lease-purchase and management fees of vehicles primarily utilized by the Division of Parks and Wildlife and the Division of Water Resources. It is staff's understanding that for FY 2012-13, the Department of Personnel's State Fleet program is requesting the replacement of 600 vehicles statewide including 73 Department of Natural Resources Vehicles. Of the 73 requested vehicles for replacement, 47 are in the Division of Wildlife, 18 are in State Parks, 5 are in the Division of Water Resources, and 3 are in the Division of Reclamation, Mining, and Safety.

Staff instructions from the Department of Personnel JBC analyst is to review the vehicle replacement requests, estimate if the requested replacement vehicles are estimated to have at least 100,000 miles on their speedometer by May 30, 2013, adjust for any low mileage high cost vehicles, and make a recommendation on the replacements.

Staff recommends the replacement of 71 vehicles out of the 73 vehicles requested for replacement. The two vehicles that staff is not recommending for replacement are not estimated to exceed 100,000 miles on their speedometers by May 30, 2013.

The Oil and Gas Conservation Commission is requesting two additional vehicles in FY 2012-13 with Request-1, Field and Technical Support Staff. The Commission is requesting two Jeep Liberty vehicles. The recommendation for this request will be made during a separate presentation for the Oil and Gas Conservation Commission.

The recommended funding level and the funding sources are PENDING the approval of a common policy by the Committee for Vehicle Lease Payments.

Based on a vehicle count list provided by the Department of Personnel on February 8, 2011, the Department of Natural Resources has a total of 1,093 vehicles. The table below provides a breakdown by division.

Department of Natural Resources Vehicle Count as of February 2011	
Division of Parks and Wildlife - Wildlife	589
Division of Parks and Wildlife - Parks	324
104	104
104	104
104	104
State Board of Land Commissioners	8
6	6
Colorado Water Conservation Board	<u>5</u>
Total Vehicle Count	1,244

Information Technology Asset Maintenance

Funds provided through this line item enable the department to maintain and replace its IT systems. Expenditures from this line item cover 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. The Department requests continuation funding. **Staff recommends the Committee approve continuation funding for this line item.**

Summary of Recommendation– Executive Director's Office Information Technology Asset Maintenance — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	31,628	144,823	90,538	0	266,989
Total Recommendation	31,628	144,823	90,538	0	266,989

Leased Space

For FY 2012-13, DNR's divisions anticipate managing 46 leases statewide, encompassing approximately 115,000 square feet. Additionally, divisions lease a total of 41 parking spaces (via 3 separate lease agreements).

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 instances, divisions are statutorily required to operate offices in specific counties and/or congressional districts statewide. The Department states that in almost all cases, leasing operational space for staff is more practicable than purchasing or constructing space.

Staff recommends the Committee approve the Department's request as submitted.

The table below shows the current request submitted by the Department.

Leased Space					
Line Item	Request				
	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total
1. FY 2011-12 Appropriation	536,714	801,645	0	27,781	1,366,140
2. R-8 Adjustment to Leased Space	<u>(5,484)</u>	<u>(17,106)</u>	<u>0</u>	<u>2,332</u>	<u>(20,258)</u>
Total	531,230	784,539	0	30,113	1,345,882
<i>Total Change</i>	<i>(5,484)</i>	<i>(17,106)</i>	<i>0</i>	<i>2,332</i>	<i>(20,258)</i>

The table below shows the Department request for leased space broken down by division.

Department of Natural Resources - Leased Space			
	FY 2011-12 Appropriation	FY 2012-13 Request	
	Total by Division	Total by Division	Difference
Reclamation, Mining, and Safety	64,413	67,483	3,070
Geological Survey	8,613	14,145	5,532

Department of Natural Resources - Leased Space			
	FY 2011-12 Appropriation	FY 2012-13 Request	
	Total by Division	Total by Division	Difference
Oil & Gas Commission	334,583	343,185	8,602
State Land Board	42,276	43,538	1,262
Division of Parks and Wildlife - Parks	35,800	35,800	0
Division of Parks and Wildlife - Wildlife	178,549	132,076	(46,473)
Water Conservation	140,816	151,816	11,000
Water Resources	561,090	557,839	(3,251)
TOTAL	\$1,366,140	\$1,345,882	(\$20,258)
General Fund	536,714	531,230	(5,484)
Cash Funds	801,645	784,539	(17,106)
Reappropriated Funds	0	0	0
Federal Funds	27,781	30,113	2,332

- **Request - 8. Adjustments to Leased Space.** The Department is requesting a decrease of \$20,258 total funds for leased space. This request represents the Department's estimate of leased space adjustments for FY 2012-13.

Below are lease cost changes that the Department considered significant enough to discuss in its request:

Wildlife Southwest Regional Office. In July 2010 the Wildlife Commission approved the construction of a facility in Gunnison to serve as the Southwest Regional Office. The new regional office was originally scheduled for completion by 2013. However, since the merger of Parks and Wildlife, the new division is developing a new regional structure for the merged Division of Parks and Wildlife. As such, the Department states that the construction of the regional office in Gunnison before a new regional structure is developed would be premature. In the meantime, Division staff have moved into leased space of 2,800 square feet at a cost of \$36,079.

Wildlife Glenwood Springs Office. Currently staff reside in leased space costing \$58,830. On June 30, 2012, this lease ends and the staff will be moving to a newly constructed office facility. As such, the costs for the leased space are no longer necessary for FY 2012-13.

Wildlife Fort Collins Modular Office. This lease provides office space for the Wildlife Health Research Facility in Fort Collins. This modular building is located on property owned by the Division and supports research activities on several mammal species. The Division has purchased the modular office making leased space costs of \$24,750 no longer necessary.

State Land Board Northeast Regional Office. The State Land Board is proposing to re-locate its Northeast Region Office to a more suitable location in Sterling. Currently the Board offices are co-located with parole and intervention offices with shared bathrooms and open access throughout the building. The Board has found a new facility and is requesting additional funding to be able to re-locate to a new office space.

Capitol Complex Leased Space

This line item is used to pay the Department of Personnel 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 department times a calculated rate.

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Capitol Complex Leased Space — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	217,856	376,772	171,126	106,917	872,671
2. Common Policy Adjustments	<u>24,674</u>	<u>42,669</u>	<u>19,389</u>	<u>12,108</u>	<u>98,840</u>
Total Request	242,530	419,441	190,515	119,025	971,511

Total funding for this line item is PENDING the approval of a Capitol Complex Leased Space common policy by the Committee. The Department's space within the Capitol Complex Facilities for FY 2012-13 is estimated to be comprised of 69,107 square feet at 1313 Sherman Street as summarized below.

Department of Natural Resources - Capitol Complex Leased Space						
	FY 2011-12 Appropriation		FY 2012-13 Request		FY 2012-13 Recommendation	
	Sq. Ft.	Total	Sq. Ft.	Total	Sq. Ft.	Total
Executive Director	13,552	\$ 171,126	13,552	\$ 190,515	13,552	TBD
Reclam., Mining & Safety	13,682	191,314	15,150	212,979	13,682	TBD

Department of Natural Resources - Capitol Complex Leased Space						
	FY 2011-12 Appropriation		FY 2012-13 Request		FY 2012-13 Recommendation	
	Sq. Ft.	Total	Sq. Ft.	Total	Sq. Ft.	Total
Geological Survey	6,808	67,433	5,340	75,070	6,808	TBD
Parks	12,635	159,555	12,635	177,624	12,635	TBD
Water Conservation	5,178	65,387	5,178	72,793	5,178	TBD
Water Resources	17,252	217,856	17,252	242,530	17,252	TBD
TOTAL	69,107	\$872,671	69,107	\$971,511	69,107	Pending
General Fund		217,856		242,530		Pending
Cash Funds		376,772		419,441		Pending
Reappropriated Funds		171,126		190,515		Pending
Federal Funds		106,917		119,025		Pending

INTEGRATED RESOURCE SERVICES (New Line Item Request)

- **Request 5. Integrated Resource Services.** - The Department requests the creation of a new line item in the Executive Director's Office titled "Integrated Resources Services" to be used to facilitate payments for services between agencies of the Department. The Department requests an appropriation of \$250,000 reappropriated funds.

Staff recommends approval of this Department request and the creation of a new line item titled "Integrated Resource Services" within the Executive Director's Office with \$250,000 reappropriated funds coming from various sources. Below is a brief description of the Department request.

The Department deals with a diverse range of natural resource management issues and employees subject matter experts in a variety of scientific and technical fields. The states that currently, if a division needs the expertise of another division, any assistance provided would come at the detriment of the assisting agency. Because of statutory restrictions, many divisions do not have the ability to accept and expend gifts, grants, and donations. Therefore, assistance 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 workload. The Department states that often, an agency is unable to absorb the request for assistance and the requesting agency is forced to contract with private vendors, often at a higher cost.

The Department points to the following examples in which interagency payment for services would have proved beneficial to the Department:

1) The Colorado Water Conservation Board (CWCB) manages roundtables representing each of the river basins in Colorado, with the goal of developing basin-specific water needs assessments. In 2010 CWCB staff determined that certain modeling software would benefit from certain enhancements, requiring additional software programming. The Division of Water Resources (DWR) has significant expertise in water modeling and was willing to hire and manage programming staff to undertake this work on behalf of the CWCB. However, since the DWR is unable to accept grants and was unable to absorb the additional cost within its budget, DWR was unable to provide the assistance.

2) The State Board of Land Commissioners (Land Board) wishes to expand the investments in water as an asset class (Request 4 - Interagency Water Expertise is for \$120,000 cash funds in order to address this goal. The Committee could choose to approve either request, one is not contingent on the other.). The Department states that there is a great deal of expertise within the Department in this area, and if Request 4 and Request 5 are approved, the Land Board could hire an employee from the Department at roughly \$60 an hour to help in this regard. The Department states that if Request 5 is not approved, the Land Board will need to seek outside consultants at costs as high as \$240 an hour.

3) The Land Board staff are not specialists on conservation issues. The Land Board could use the expertise within other divisions to demonstrate the value of good stewardship of the lands it manages.

The Department hopes that once funding is provided, more opportunities for efficiencies will be identified.

The way the process would work is that 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.

The Department states that it did not perform a rigorous calculation to arrive at the \$250,000 requested funding. The Department states that the \$250,000 is a rough estimate of two high-level employees with benefits for an entire year. It is anticipated that the funding will be used for many different employees working on various projects throughout the year.

The Department states that if this request is approved, as part of its annual budget request, the Department will report on how these funds have been used in the most recently completed year. Alternatively, the Department states that the General Assembly could provide the divisions of the Department with statutory authority to receive and expend gifts, grants, and donations. The Department believes that a statutory change would provide the same flexibility that the Department is seeking with this request.

Communications Services Payments

This line item represents the Department's contribution to pay for the costs of the Office of Information Technology's planning, coordinating, and integrating the public safety networks for the Departments of Public Safety, Transportation, Corrections, and Natural Resources. Local agencies also use the network. The network operates through land-based, mobile, and microwave technology. Beneficiaries of these services within the Department include both law enforcement agencies within the Division of Parks and Wildlife.

Communications Services Payments - Department of Natural Resources Radios by Division and Type				
	Mobile	Portable	Digital Trunked Radio	Total
Wildlife	746	384	888	2,018
Parks	<u>311</u>	<u>418</u>	<u>859</u>	<u>1,588</u>
Total	1,057	802	1,747	3,606

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Communications Services Payments — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2011-12 Appropriation	0	1,060,571	0	0	1,060,571
2. Common Policy Adjustments	0	87,586	0	0	87,586
3. NPBA 1/3/12 OIT Communications Services Utilities Increase	<u>0</u>	<u>3,937</u>	<u>0</u>	<u>0</u>	<u>3,937</u>
Total Request	0	1,152,094	0	0	1,152,094

The staff recommendation for this line item is PENDING the approval of a common policy by the Committee related to Communications Services Payments.

(B) H.B. 09-1289 (Species Conservation Trust Fund) – CF

The appropriation for this bill is reflected in the EDO each year and then zeroed out during figure setting. **The Committee does not need to take action.**

(C) H.B. 10-1398 (Species Conservation Trust Fund) - CF

The appropriation for this bill is reflected in the EDO each year and then zeroed out during figure setting. **The Committee does not need to take action.**

(D) S.B. 11-203 (Species Conservation Trust Fund) - CF

The bill appropriates money from both the Operation and Maintenance Account (\$2.1 million) and the Capital Account (\$4.5 million) of the Species Conservation Trust Fund (SCTF) for programs submitted by the executive director of the Department of Natural Resources. These programs are

designed to conserve native species that are listed as threatened or endangered under state or federal law, are candidate species, or are likely to become candidate species as determined by the U.S. Fish and Wildlife Service. In addition, the bill reduces the amount to be transferred from the Operational Account of the Severance Tax Trust Fund to the Operation and Maintenance Account of the Species Conservation Trust Fund by \$400,000. In FY 2011-12, the transfer is reduced from \$1,00,000 to \$600,000, and in FY 2012-13 and 2013-14 the transfer is reduced from \$2,500,000 to \$2,100,000.

The appropriation for this bill is reflected in the EDO each year and then zeroed out during figure setting. **The Committee does not need to take action.**

(6) DIVISION OF PARKS AND WILDLIFE

(Includes funding for the former Division of Parks and Outdoor Recreation and the former Division of 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 (Section 33-9-104, C.R.S.), effective July 1, 2011. The bill did not merge the appropriations of the two former divisions for FY 2011-12, but allowed the new Division of Parks and Wildlife to expend appropriations to the former Division of Wildlife and the former Division of Parks and Outdoor Recreation contained in the 2011 general appropriations act (Senate Bill 11-209, as amended by H.B. 12-1192).

In this figure setting document, JBC staff has merged the appropriations for the former Division of Parks and Outdoor Recreation and the former Division of Wildlife into a single division of Parks and Wildlife without changing the budgetary structure of the former divisions but simply listing them as sub-divisions within the newly created Division of Parks and Wildlife. This structure matches the Department request for FY 2012-13.

Senate Bill 11-208 Highlights

Senate Bill 11-208 created the Division of Parks and Wildlife as an enterprise for the purpose of Section 20 of Article X of the State Constitution. The bill also defined in Section 33-9-101, C.R.S., a new Board of Parks and Wildlife (Board) to oversee the new division.

Among other responsibilities, the Board is tasked with formulating an implementation plan to address outstanding issues and identify increased efficiencies and cost savings that may be realized from the merger. The bill directs that any implementation plan consolidate the operations and programs of the two divisions in a manner that allocates costs over a reasonable period of time and within existing budget levels. The bill requires the Director of the Division of Parks and Wildlife to report by February 29, 2012, to the oversight committees on the Board's activities since June 1, 2011, regarding the implementation plan, any problems with the plan, and any recommendation for further legislation. The report must also identify any cost savings that are expected to emerge from the merger.

The bill directs the Board when discussing an increase or a decrease to a park fee to consider the effect that the new fee would have on park usage, the impact to the demand for service, and opportunities for differential pricing. The Bill limits any increase to park fees to a maximum of 20.0 percent over the annual amount earned from fees and charges as they existed on July 1, 2011. The bill reaffirms the State's assent to the federal acts that prohibit diversion of license and fees paid by hunters and sport fishermen for purposes other than administration of the former Division of Wildlife. The Board is tasked with adopting policies and procedures to prevent the unauthorized commingling or impermissible use of moneys in distinct funds and that moneys are expended consistent with the purpose for which they are received, collected, or appropriated.

Division of Parks and Wildlife - Revenues and Expenditures at a Glance

The tables below are intended to provide a high-level overview of sources of revenue and appropriations by type (operating vs. capital budget).

Division of Parks and Wildlife Revenues		
	FY 2010-11 Parks	FY 2010-11 Wildlife
Passes, Permits, Fees (Entry, User, Registration), Licenses	\$28,211,494	\$75,030,637
GOCO Grants	11,272,557	22,053,229
Lottery 10 % Distribution	11,336,100	0
State Funds (Severance Tax and Species Conservation Trust Fund)	7,795,775	3,562,358
Federal Funds	6,127,566	24,236,684
General Fund	2,286,833	0
Other	<u>3,284,526</u>	<u>4,153,744</u>
Total Division of Parks and Wildlife Revenues	\$70,314,851	\$129,036,652

Division of Parks and Wildlife Appropriations		
	FY 2011-12 Parks	FY 2011-12 Wildlife ¹
Operating Budget	\$44,691,092	\$85,105,094
<i>FTE</i>	<i>281.6</i>	<i>629.4</i>
Operating Budget Centrally Allocated Items	5,467,096	14,455,107
Capital Budget	<u>18,815,000</u>	<u>7,128,489</u>
Total Division of Parks and Wildlife Revenues	\$68,973,188	\$106,688,690

¹ Senate Bill 11-209 as amended by H.B. 12-1200.

State Parks

The State Parks sub-division manages 44 parks and associated parks projects, of which 42 are currently open to the public. State Parks also manages several special purpose programs including statewide recreation programs, such as the snowmobile program, the off-highway vehicle program, and river outfitters regulation. Other special programs include 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 properties is driven by available funding sources. Workload, and to some extent revenue, is driven

by visitation. State Parks are estimated to have approximately 12.4 million visitors in FY 2011-12. Over the past several years, General Fund support for State Parks has declined and has been completely eliminated starting with FY 2011-12.

Starting with FY 2011-12, the General Assembly eliminated General Fund support to State Parks through the general appropriations act (S.B. 11-209). In order to provide an alternative source of funding to State Parks, the General Assembly approved an increase to several park fees by approximately \$1.4 million.

General Fund Support to State Parks	FY 2008-09 Appropriation	FY 2009-10 Appropriation	FY 2010-11 Appropriation	FY 2011-12 Appropriation	FY 2012-13 Estimate
General Fund - State Parks ¹	\$6,989,032	\$2,601,945	\$2,590,409	\$0	\$0
<i>Percent Change</i>	<i>n/a</i>	<i>-62.8%</i>	<i>(0.4)%</i>	<i>(100.0)%</i>	<i>n/a</i>
State Parks Visitation ²	11,955,691	12,295,354	12,338,520	12,387,874	12,600,000
<i>Percent Change</i>	<i>n/a</i>	<i>2.8%</i>	<i>0.4%</i>	<i>0.4%</i>	<i>1.7%</i>

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

/2 For State Parks Visitation, the FY 2008-09 through FY 2010-11 numbers are actual and the FY 2011-12 and FY 2012-13 numbers are estimates.

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 over 230 state wildlife areas totaling more than 600,000 acres. 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 provide more than half of the funding for wildlife. Approximately 67.5 percent or \$50.6 million of total license sales are from big game species (mainly elk and deer) and about 55.3 percent or \$41.5 million of all revenues from license sales come from the sale of non-resident big game species licenses.

The table below shows a summary of the Department request for the Division of Parks and Wildlife for FY 2012-13.

Category	GF	CF	RF	FF	Total	FTE
(6) Division of Parks and Wildlife						
Current Appropriation	\$0	\$116,922,626	\$0	\$12,873,560	\$129,796,186	911.0
Restore S.B. 11-76 PERA	0	1,115,518	0	203,551	1,319,069	0.0
Restore FY 2011 Operating Reduction	0	16,769	0	0	16,769	0.0
Indirect Cost Adjustments	0	52,484	0	(93,054)	(40,570)	0.0

Division of Parks and Wildlife Base Request	\$0	\$118,107,397	\$0	\$12,984,057	\$131,091,454	911.0
NPBA-1 OIT Staff Transfer	0	150,470	0	0	150,470	2.0
R-6 Consolidation of Parks' GOCO Line Items	0	0	0	0	0	0.0
R-7 Consolidation of Parks' IT Line Items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
(6) Division of Parks and Wildlife Total Request	\$0	\$118,257,867	\$0	\$12,984,057	\$131,241,924	913.0
Change	\$0	\$1,335,241	\$0	\$110,497	\$1,445,738	2.0
Percent Change	n/a	1.1%	n/a	0.9%	1.1%	0.2%

The table below shows a summary of the staff recommendation for the Division of Parks and Wildlife for FY 2012-13.

Category	GF	CF	RF	FF	Total	FTE
(6) Division of Parks and Wildlife Current Appropriation	\$0	\$116,922,626	\$0	\$12,873,560	\$129,796,186	911.0
Restore S.B. 11-76 PERA	0	1,115,518	0	203,551	1,319,069	0.0
Restore FY 2011 Operating Reduction	0	16,769	0	0	16,769	0.0
Indirect Cost Adjustments	<u>0</u>	<u>52,484</u>	<u>0</u>	<u>(93,054)</u>	<u>(40,570)</u>	<u>0.0</u>
Division of Parks and Wildlife Base Recommendation	\$0	\$118,107,397	\$0	\$12,984,057	\$131,091,454	911.0
NPBA-1 OIT Staff Transfer	0	150,470	0	0	150,470	2.0
R-6 Consolidation of Parks' GOCO Line Items	0	0	0	0	0	(3.5)
R-7 Consolidation of Parks' IT Line Items	0	0	0	0	0	0.0
Pending Personal Services/Program Line Items	<u>0</u>	<u>(94,895,130)</u>	<u>0</u>	<u>(10,752,627)</u>	<u>(105,647,757)</u>	<u>0.0</u>
(6) Division of Parks and Wildlife Total Recommendation	\$0	\$23,362,737	\$0	\$2,231,430	\$25,594,167	909.5
Change	\$0	(\$93,559,889)	\$0	(\$10,642,130)	(\$104,202,019)	(1.5)
Percent Change	n/a	-80.0%	n/a	-82.7%	-80.3%	-0.2%

(A) PARKS AND OUTDOOR RECREATION

Parks and Outdoor Recreation Total Staffing Summary¹	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Recommendation
Management	8.4	10.0	9.0	9.0
Administration	61.4	54.7	58.3	58.3
Accounting and Financial Services	8.6	8.0	8.0	8.0
Information Technology	0.0	0.0	0.0	0.0
Park Managers	110.2	127.5	123.3	123.3
Engineers and Technicians	68.0	62.5	63.5	61.0
Other Professions	<u>20.5</u>	<u>18.9</u>	<u>19.5</u>	<u>18.5</u>
Total	277.1	281.6	281.6	278.1

¹ Includes summary of FTE for the following sub-sub-divisions: State Park Operations, GOCO Board Grants, and Special Purpose.

The table below shows a summary of the Department request for the Division of Parks and Wildlife, Parks Sub-division for FY 2012-13.

Category	GF	CF	RF	FF	Total	FTE
(6) Parks Sub-division Current Appropriation	\$0	\$42,605,215	\$0	\$2,085,877	\$44,691,092	281.6
Restore S.B. 11-76 PERA	0	366,254	0	0	366,254	0.0
Restore FY 2011 Operating Reduction	0	16,769	0	0	16,769	0.0
Indirect Cost Adjustments	<u>0</u>	<u>2,264</u>	<u>0</u>	<u>(2,201)</u>	<u>63</u>	<u>0.0</u>
Parks Sub-division Base Request	\$0	\$42,990,502	\$0	\$2,083,676	\$45,074,178	281.6
R-6 Consolidation of Parks' GOCO Line Items	0	0	0	0	0	0.0
R-7 Consolidation of Parks' IT Line Items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
(6) Parks Sub-division Total Request	\$0	\$42,990,502	\$0	\$2,083,676	\$45,074,178	281.6
Change	\$0	\$385,287	\$0	(\$2,201)	\$383,086	0.0
Percent Change	n/a	0.9%	n/a	-0.1%	0.9%	0.0%

The table below shows a summary of staff recommendation for the Division of Parks and Wildlife, Parks Sub-division for FY 2012-13.

Category	GF	CF	RF	FF	Total	FTE
(6) Parks Sub-division Current Appropriation	\$0	\$42,605,215	\$0	\$2,085,877	\$44,691,092	281.6
Restore S.B. 11-76 PERA	0	366,254	0	0	366,254	0.0
Restore FY 2011 Operating Reduction	0	16,769	0	0	16,769	0.0
Indirect Cost Adjustments	<u>0</u>	<u>2,264</u>	<u>0</u>	<u>(2,201)</u>	<u>63</u>	<u>0.0</u>
Parks Sub-division Base Recommendation	\$0	\$42,990,502	\$0	\$2,083,676	\$45,074,178	281.6
R-6 Consolidation of Parks' GOCO Line Items	0	0	0	0	0	(3.5)
R-7 Consolidation of Parks' IT Line Items	0	0	0	0	0	0.0
Pending Personal Services/Program Line Items	<u>0</u>	<u>(31,953,639)</u>	<u>0</u>	<u>(438,708)</u>	<u>(32,392,347)</u>	<u>0.0</u>
(6) Parks Sub-division Total Recommendation	\$0	\$11,036,863	\$0	\$1,644,968	\$12,681,831	278.1
Change	\$0	(\$31,568,352)	\$0	(\$440,909)	(\$32,009,261)	(3.5)
Percent Change	n/a	-74.1%	n/a	-21.1%	-71.6%	-1.2%

(6) DIVISION OF PARKS AND WILDLIFE
(A) PARKS AND OUTDOOR RECREATION
(I) 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 includes actual FY 2010-11 state park operations expenditures. The table includes expenditures appropriated under both State Park Operations and Great Outdoors Colorado Board Grants, as well as centrally appropriated personal services funds.

State Park Operations Line Item FY 2010-11 Actual Expenditures by Category			
Program Area	Personal Services	Operating	Total
State Park Operations	\$16,550,703	\$4,853,945	\$21,404,648
Park Administration	1,727,719	693,447	2,421,166
Business Services	2,674,970	1,010,365	3,685,335
Information Technology	0	18,940	18,940

State Park Operations Line Item FY 2010-11 Actual Expenditures by Category			
Program Area	Personal Services	Operating	Total
Natural Resource Management	450,334	55,976	506,310
Land and Water Management	226,513	39,598	266,111
Trails	<u>177,060</u>	<u>11,863</u>	<u>188,923</u>
Total	\$21,807,299	\$6,684,134	\$28,491,433

State Park Operations Staffing Summary	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Recommendation
Management	8.4	10.0	9.0	9.0
Administration	52.4	45.2	56.0	56.0
Accounting and Financial Services	7.6	7.0	8.0	8.0
Information Technology	0.0	0.0	0.0	0.0
Park Managers	105.2	119.0	118.3	118.3
Engineers and Technicians	60.0	53.5	62.5	60.0
Other Professions	<u>14.6</u>	<u>12.6</u>	<u>16.0</u>	<u>15.0</u>
Total	248.2	247.3	269.8	266.3

The table below shows the Department request for the State Park Operations line item.

Summary of Request – Division of Parks and Wildlife, (A) Parks and Outdoor Recreation, (I) State Park Operations — Department of Natural Resources					
	GF	CF	FF	Total	FTE
Personal Services (Estimate)	0	18,238,309	438,708	18,677,017	247.3
Operating Expense (Estimate)	<u>0</u>	<u>4,648,161</u>	<u>0</u>	<u>4,648,161</u>	<u>—</u>
FY 2011-12 Appropriation	0	22,886,470	438,708	23,325,178	247.3
Restore S.B. 11-76 PERA	0	354,336	0	354,336	0.0
Restore FY 11 Operating Reduction	<u>0</u>	<u>16,769</u>	<u>0</u>	<u>16,769</u>	<u>0.0</u>
Continuation Estimate	0	23,257,575	438,708	23,696,283	247.3
R-6 Consolidation of Parks' GOCO Line Items	<u>0</u>	<u>4,335,000</u>	<u>0</u>	<u>4,335,000</u>	<u>22.5</u>
Total Request	0	27,592,575	438,708	28,031,283	269.8

Staff discussed the Department request to restore a FY 2010-11 operating reduction request in the discussion of the Executive Director's Office, Operating Expenses line item above.

Staff is recommending the restoration of the FY 2011 operating reduction. Staff is also recommending the Department Request-6 to consolidate the Great Outdoors Colorado Board Grants sub-section into the State Park Operations line item. However, staff is recommending moving only 19.0 FTE with this consolidation. A discussion of the request and staff analysis can be found below.

Staff recommendation for the State Park Operations line item is **PENDING Committee Action on the Base Personal Services Reduction Common Policy**. The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation – Division of Parks and Wildlife, (A) Parks and Outdoor Recreation, (I) State Park Operations — Department of Natural Resources					
	GF	CF	FF	Total	FTE
Personal Services (Estimate)	0	18,238,309	438,708	18,677,017	247.3
Operating Expense (Estimate)	<u>0</u>	<u>4,648,161</u>	<u>0</u>	<u>4,648,161</u>	—
FY 2011-12 Appropriation	0	22,886,470	438,708	23,325,178	247.3
Restore S.B. 11-76 PERA	0	354,336	0	354,336	0.0
Restore FY 11 Operating Reduction	<u>0</u>	<u>16,769</u>	<u>0</u>	<u>16,769</u>	<u>0.0</u>
Continuation Estimate				PENDING	247.3
R-6 Consolidation of Parks' GOCO Line Items	<u>0</u>	<u>4,335,000</u>	<u>0</u>	<u>4,335,000</u>	<u>19.0</u>
Total Recommendation				PENDING	266.3

- Request - 6. Consolidation of GOCO Long Bill Line Items into State Park Operations Long Bill Line Item.** The Department requests the elimination of the Long Bill State Parks Section (II) Great Outdoors Colorado (GOCO) Board Grants starting with the FY 2012-13 budget and the consolidation of the \$4.3 million and 22.5 FTE of GOCO line items into the (I) State Park Operations line item. The Department is stating that it is requesting the consolidation in order to enhance budgetary efficiency and better reflect how these funds are used to help operate the state park system.

The Department states that as part of a larger effort to increase the operational efficiency of state agencies, the Hickenlooper Administration has proposed several Long Bill line item consolidations in its FY 2012-13 budget request. The Department states that these line item consolidations will allow executive branch agencies to respond more effectively to changes in their operating environment and to improve service to Colorado's citizens.

The Department states that this particular request will achieve several important outcomes:

- The Department states that consolidating the GOCO line items into the State Park Operations line item will more accurately reflect how the GOCO dollars are spent to help operate the state park system. The Department states that currently the Long Bill structure might lead one to believe it costs \$23.7 million to operate Colorado's state park system. The Department wants to consolidate the two line items to more accurately show that

GOCO contributes significant amounts each year for on-the-ground operations at state parks. The Department states that inclusion of the estimated \$4,335,000 in GOCO funds directly in the State Park Operations line item will provide a more comprehensive and accurate picture of the cost and FTE required to operate the state park system.

b) The Department states that separate GOCO line items in the Long Bill require booking separate Long Bill line item appropriations in the State's accounting system (COFRS) to match the Long Bill. The Department states that this is duplicative and unnecessary because in reality the Department books GOCO grant awards in COFRS as an addition to the State Park Operations line item appropriation that match actual grant awards from GOCO. Further, the Department states that creating reporting schedules for these GOCO line items is a meaningless exercise because in reality the Department does not book any expenditures to the GOCO line items but expenditures for GOCO funds are initially made from the State Park Operations line item and GOCO reimburses the expenditures after the fact.

c) The Department states that transparency will continue to be provided for the GOCO funding through the annual reporting of expenditures in the annual report that the GOCO Board provides on its web site. In addition, the Department states that starting with the FY 2012-13 request, the level of detail provided in the various schedules has increased transparency by providing multi-year reporting of expenditures by object code, and more detailed breakdown of the sources of funding for each line item.

Staff Analysis

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 GOCO Program

Grant moneys approved by the members of the Great Outdoors Colorado (GOCO) Board are not appropriated by the General Assembly and are listed in the Long Bill for informational purposes. The GOCO program was established in 1992 in Article XXVII of the Colorado Constitution to preserve, protect, enhance and manage the state's wildlife, park, river, trail and open space heritage using net proceeds of every state-supervised lottery game operated under the authority of Article XVIII, Section 2 of the Colorado Constitution.

In the past, the GOCO Board has approved annual funding for State Parks in December for the fiscal year beginning the following July. Starting with the FY 2010-11 budget, the GOCO Board does not approve the Parks annual budget until March.

The GOCO Board Grants are currently appropriated in a sub-section titled "Great Outdoors Colorado Board Grants" in three line items titled "Land and Water Protection", "Operations and Maintenance", and "Statewide Programs".

An informational funding appropriation was first added to the budget in FY 1994-95. Funding at the time was provided as part of the Administration sub-section of the budget in a single line item titled "Great Outdoors Colorado Board Grants" with an associated footnote stating that "These funds are anticipated from the Great Outdoors Colorado Board, and while these funds are not subject to appropriation by the Legislature, pursuant to

Article XXVII, Section 5 of the Colorado Constitution, they are shown here for informational purposes. The General Assembly accepts no obligation to continue funding these FTE and programs if Great Outdoors Colorado funds re no longer available." In FY 1999-00, The Great Outdoors Colorado Board Grants was separated as a stand-alone subsection within the Division of Parks and Outdoor Recreation and appropriations were reflect in four separate line items. With the FY 2000-01 budget process, the Governor started vetoing the footnote with the statement that "This footnote implies restrictions on the Division of Parks and Outdoors Recreation regarding the receipt of funds from Great Outdoors Colorado. The General Assembly has no authority to appropriate funds from the Great Outdoors Colorado." The Governor continued vetoing these footnotes in following fiscal years, except for FY 2003-04, when the Governor did not veto the footnote. With the FY 2004-05 Long Bill, the footnote was eliminated. This was a JBC staff recommendation made based on JBC direction to reduce the number of footnotes for the Department (in years the footnotes numbered as high as 20, in FY 2003-4 there were 12 footnotes, in FY 2004-05 there were 8 footnotes).

Options

The Department has demonstrated that it manages the GOCO grants in a cycle that involves payment for the GOCO funded projects with Parks Cash Fund and a subsequent reimbursement of the expenditures by the GOCO Board. The Department has also demonstrated that it does not plan to report on GOCO Board Grants separately for the line items as they are appropriated in the Long Bill. In fact, every year the Department does not submit a report of actual expenditures for the specific line items but reports on them in the reporting for the State Park Operations line item. At JBC staff behest, the Department provides supplemental information that matches GOCO Board Grants expenditures to the line items in the Long Bill.

Staff assumes that the reasons for including this informational appropriation in the Long Bill was to reflect total spending for State Park Operations. In fact, in FY 1994-95, the GOCO Board Grants that were awarded to the Division of Wildlife were aggregated in the Wildlife Operations section with a letternote notation. Now that the two divisions have merged, there is the inconsistency in having the State Parks appropriation itemized in separate line items versus the Wildlife appropriation that is aggregated in the Wildlife Operations budget and annotated with a letternote.

There are no GOCO Board Grant specific performance measures, the Division has an overarching measure with an objective to "Provide and promote a variety of outdoor recreational opportunities for citizens and visitors" and six division specific objectives in the spheres of habitat (Wildlife), public awareness (Wildlife), increase park acreage under management, increase camp site usage at state parks, maintain state park resources in good condition for all state parks, and measure the responses of an annual state parks customer satisfaction survey. In the opinion of JBC staff, the nature of reflecting the informational

appropriation of GOCO Board Grants does not impact the decisions of the GOCO Board or the implementation abilities and capabilities of the Division.

Staff recommends the Committee consider the following options when determining how to reflect the informational GOCO Board Grants revenue source to State Parks:

I) Approve the Department request to merge the GOCO Board Grants sub-section within the State Park Operations line item, however, reduce the FTE amount to 19.0 FTE based on a six-year average actual FTE expenditures as reported by the Department. **This is the JBC Staff recommendation.**

JBC Staff Calculation of Average Actual FTE in the GOCO Board Grants Sub-section							
	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	Average
Actual FTE	19.5	16.0	22.5	19.0	19.3	18.9	19.2

II) Approve the Department request to consolidate the \$4,335,000 (GOCO Board Grants) and 22.5 FTE into the State Park Operations line item and annotate the funding through a letternote.

III) Leave the GOCO Board Grants as a separate sub-section, but merge the three separate line items into one line item.

IV) Move the GOCO Board Grants under the State Park Operations sub-section, however, appropriate them in a separate line item titled Great Outdoors Colorado Board Grants. This is how the appropriation was made initially in FY 1994-95.

(6) DIVISION OF PARKS AND WILDLIFE

(A) PARKS AND OUTDOOR RECREATION

(II) Great Outdoors Colorado (GOCO) Board Grants

The following line items are reflected in the Long Bill for informational purposes only. These grants are moneys approved by the members of the Great Outdoors Colorado (GOCO) Board and are not appropriated by the General Assembly. The GOCO program was established in Article XXVII of the Colorado Constitution which states that all funds provided to state agencies from the GOCO Trust Fund shall be deemed to be custodial in nature, and the expenditure of those funds shall not be subject to legislative appropriation or restriction.

In the past, the GOCO Board has approved annual funding for State Parks in December for the fiscal year beginning the following July. Starting with the FY 2010-11 budget, the GOCO Board will not approve the Parks annual budget until March for the fiscal year beginning the following July.

Great Outdoors Colorado Board Grants	FY 2006-07 Award	FY 2007-08 Award	FY 2008-09 Award	FY 2009-10 Award	FY 2010-11 Award
Parks Capital Budget	\$7,249,650	\$4,849,239	\$2,200,000	\$21,881,500	\$4,399,360
Parks Operating Budget	<u>4,025,000</u>	<u>0</u>	<u>8,139,000</u>	<u>4,375,000</u>	<u>4,998,382</u>
Total GOCO Grants to State Parks	\$11,274,650	\$4,849,239	\$10,339,000	\$26,256,500	\$9,397,742

Source: Great Outdoors Colorado

Lottery Proceeds are allocated as follows:

Allocation of Lottery Proceeds	
Conservation Trust Fund (distributed to local governments and park and recreation districts on a per capita basis to use for parks, recreation and open space)	40.0%
Colorado State Parks (for parks and outdoor recreation projects)	10.0%
GOCO Trust Fund (Up to 50.0 percent, capped at \$35.0 million in 1992 dollars adjusted for inflation)	Up to 50.0%
Moneys over the GOCO Cap are allocated to the General Fund	Various Amounts
Public School Capital Construction Assistance Fund (\$88,000)	Various Amounts

The Colorado Constitution requires GOCO to allocate its proceeds substantially equally over time to four areas:

- (I) Wildlife - Investment in the wildlife resources of Colorado through the Division of Wildlife;
- (II) Outdoor Recreation - Investment in the outdoor recreation resources of Colorado through the Division of Parks and Outdoor Recreation;
- (III) Open Space - Competitive grants to the to the Divisions of Parks and Wildlife, and to counties, municipalities or other political subdivisions of the state, or non-profit land conservation organizations;
- (IV) Local Governments - Competitive matching grants to local governments or other entities to acquire, develop, or manage open lands and parks.

- **Request - 6. Consolidation of GOCO Long Bill Line Items into State Park Operations Long Bill Line Item.** The Department requests the elimination of the Long Bill State Parks Section (II) Great Outdoors Colorado (GOCO) Board Grants starting with the FY 2012-13 budget and the consolidation of the \$4.3 million and 22.5 FTE of GOCO line items into the (I) State Park Operations line item. The Department is stating that it is requesting the

consolidation in order to enhance budgetary efficiency and better reflect how these funds are used to help operate the state park system.

Staff discussed Request-6 in the discussion of funding and recommendations for the State Park Operations line item above.

Land and Water Protection

The Division of Parks and Wildlife anticipates lottery proceeds of \$709,000 for this line item. Line item supports water for recreational purposes through the acquisition of water rights or through agreements with holders of water rights. Two FTE are utilized to manage these dollars used for park improvements, buffer acquisitions, vegetation management, and the maintenance of geographic information systems (GIS). **Request -6 moves this line item into the State Park Operations line item above. For a discussion of the request and staff recommendation please refer to the discussion above. Staff recommends the Committee approve zeroing out this line item for FY 2012-13.**

Operations and Maintenance

The Division of Parks and Wildlife anticipates lottery proceeds of \$1,969,000 for this line item. This line item supports the establishment and improvement of state parks and recreation areas in Colorado. The 14.5 FTE anticipated for FY 2012-13 are utilized to manage these dollars and to work in new park facilities supported by GOCO Board grants. **Request -6 moves this line item into the State Park Operations line item above. For a discussion of the request and staff recommendation please refer to the discussion above. Staff recommends the Committee approve zeroing out this line item for FY 2012-13.**

Statewide Programs

This line item supports the development of appropriate public information and environmental education resources on Colorado's natural resources at state parks, recreation areas, and other locations throughout the state; and acquisition, construction and maintenance of trails and river greenways. The Division of Parks and Wildlife anticipates lottery proceeds of \$1,657,000 for this line item. The 6.0 FTE anticipated for FY 2012-13 are utilized to manage funds or to supervise programs related to marketing, volunteers, and the Colorado Youth Corps. **Request -6 moves this line item into the State Park Operations line item above. For a discussion of the request and staff recommendation please refer to the discussion above. Staff recommends the Committee approve zeroing out this line item for FY 2012-13.**

(6) DIVISION OF PARKS AND WILDLIFE
(A) PARKS AND OUTDOOR RECREATION
(III) 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.

Staff notes that if the Committee approves the elimination of the GOCO Board Grants sub-section, the Special Purpose sub-section will become sub-section (II) in the Long Bill order.

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.

Snowmobile Recreation Fund - Fees	
Snowmobile Registration (Regular)	\$30
Snowmobile Registration (Duplicate)	\$5
Snowmobile Dealer Registration (1 - 25 Machines Sold)	\$35
Snowmobile Dealer Registration (26 or More Machines Sold)	\$60
Non-resident Snowmobile Permit	\$30

The Department requests an appropriation of \$1,000,924 (Snowmobile Recreation Fund) and 1.3 FTE in FY 2012-13. Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy. The table below shows the staff calculation for the items that are not pending.

Summary of <u>Recommendation</u> – (6) Division of Parks and Wildlife, (A) Parks and Outdoor Recreation, (III) Special Purpose; Snowmobile Program — Department of Natural Resources		
	Cash Funds	FTE
Personal Services (estimate)	67,418	1.3
Operating Expense (estimate)	<u>932,430</u>	—
FY 2011-12 Appropriation	999,848	1.3
Restore S.B. 11-76 PERA	<u>1,076</u>	—
Continuation Estimate	1,000,924	1.3
Total Recommendation	PENDING	1.3

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.

River Outfitter Fees	
River Outfitter Licencing Fee	\$400
Late Filing Fee	\$100
Application Refiling Fee	\$25
Limited Use License	\$100

The Department requests an appropriation of \$142,966 (\$104,466 River Outfitters Cash Fund and \$38,500 Parks Cash Fund) and 0.5 FTE in FY 2012-13. **Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy.** The table below shows the staff calculation for the items that are not pending.

Summary of <u>Recommendation</u> – (6) Division of Parks and Wildlife, (A) Parks and Outdoor Recreation, (III) Special Purpose; River Outfitters Regulation — Department of Natural Resources		
	Cash Funds	FTE
Personal Services (estimate)	99,946	0.5
Operating Expense (estimate)	<u>43,020</u>	—
FY 2011-12 Appropriation	142,966	0.5
Continuation Estimate	PENDING	0.5
Total Recommendation	PENDING	0.5

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.

Off-Highway Vehicle Program - fees	
OHV Registration (Regular)	\$25
OHV Dealer Registration (1-25 machines sold)	\$35
OHV Dealer Registration (26 or more machines sold)	\$60
OHV Renter Registration (1-10 machines sold)	\$35
OHV Renter Registration (11 or more machines sold)	\$60
Duplicate Registration	\$5

The Department requests \$532,501 cash funds (Off-Highway Vehicle Recreation Fund) and 3.0 FTE. **Staff recommendation for the line item in is PENDING Committee Action on the Base Personal Services Reduction Common Policy.** The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation – (6) Division of Parks and Wildlife, (A) Parks and Outdoor Recreation, (III) Special Purpose; Off-highway Vehicle Program — Department of Natural Resources		
	Cash Funds	FTE
Personal Services (estimate)	221,921	3.0
Operating Expense (estimate)	<u>307,344</u>	—
FY 2010-11 Appropriation	529,265	3.0
Restore S.B. 11-076: 2.5 % PERA	<u>3,236</u>	—
Continuation Estimate	PENDING	3.0
Total Recommendation	PENDING	3.0

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. Grants 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.

The Department requests continuation funding of \$4,000,000 cash funds (Off-Highway Vehicle Recreation Fund) for grants. **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 2014-15, whichever comes first."

Federal Grants

The Department anticipates the receipt of \$750,000 federal funds in FY 2012-13 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.

Summary of <u>Recommendation</u> – (6) Division of Parks and Wildlife, (A) Parks and Outdoor Recreation, (III) Special Purpose; Federal Grants — Department of Natural Resources	
	Federal Funds
FY 2011-12 Appropriation	750,000
Total Recommendation	750,000

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 Initiatives supported by State Lottery Proceeds. The following four line items are included in the Division's Long Bill section for informational purposes only, which are funded from lottery proceeds. Prior to FY 2005-06, these projects would have been reflected in the Department's capital construction budget.

- **Request - 7. Consolidation of State Parks Information Technology Long Bill Line Items.** Similar to Request -6 above, the Department is requesting to consolidate three Information Technology (IT) related line items into a single line item totaling \$1,301,500 (lottery proceeds). The Department states that it is requesting this consolidation in order to enhance budgetary efficiency and flexibility.

Staff recommends the Committee approve the Department request to consolidate the three IT-related line items into a new line item titled "Information Technology". The narrative below discusses of the request.

Request - 7. Consolidation of State Parks Information Technology Long Bill Line Items. Summary of Request.	
Line Item Name	Total Funds
System Operations and Support	(\$661,500)
Connectivity at State Parks	(\$370,000)
Asset Management	(\$270,000)
Information Technology (REQUESTED NEW CONSOLIDATED LINE ITEM)	\$1,301,500

Currently, the System Operations and Support line item is used to support several administrative and line of business systems. The Connectivity at State Parks line item is used for both external connectivity (from the park outward) and connectivity within the parks (at specific locations only). The Asset Management line item is used to fund the ongoing replacement of computers and other IT equipment.

The Department states that approval of this request will help the Parks IT group achieve several outcomes. First, more flexibility to better serve its customers. The Department states that many items that are purchased can fit under either "Asset Management" or "Connectivity at State Parks". The Department gives as an example the purchase of a network switch. The switch is an asset but is being used to complete a connectivity project. The Department gives a similar example with the purchase of routers, VoIP phones and equipment, and wireless equipment. The Department states that the line item System Operations and Support is used to pay contractors for help desk, system support and development and is encumbered at the beginning of the fiscal year.

Second, the Department states that the Asset Management line item is usually depleted before the Connectivity at State Parks line item. Even though lottery proceeds are shown for informational purposes, the Department states that management has to make decisions on how to proceed for the year, whether to re-allocate funds among the line items, or whether to re-assign expenses that can reasonably be re-assigned

Third, the Department states that duplicative administrative and accounting work would be reduced.

Fourth, the Department states that if Committee approves this request, the Division proposes to provide an annual report on the Information Technology line item that breaks down expenditures into the following four categories: (1) IT servers and network charges; (2) PC replacements and maintenance; (3) Purchased IT consulting services; and (4) Other IT expenses.

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?

Options

Staff does not agree that the Department has difficulties in over-expending these line items as the General Assembly does not have authority to appropriate lottery proceeds to State Parks pursuant to Section 3 of Article XXVII of the Colorado Constitution. However, staff agrees that the purposes for which funding is being appropriated in all three line items is similar and can reside in a single line item. In addition, an annual report may add more transparency to the line than previously existed. **For these reasons, staff recommends the Department request to consolidate the three IT-related line items into a new line item titled "Information Technology".**

System Operations and Support

The Department anticipates allocating State Lottery proceeds totaling \$661,500 for this purpose. These dollars support various business systems, such as the automated record keeping system, law enforcement, volunteer administration, and revenue systems. **Request -7 moves this line item into a new line item titled "Information Technology". For a discussion of the request and staff recommendation please refer to the discussion above. Staff recommends the Committee approve zeroing out this line item for FY 2012-13.**

Connectivity at State Parks

The Department anticipates allocating State Lottery proceeds totaling \$370,000 for this purpose. This line item aims to 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. **Request -7 moves this line item into a new line item titled "Information Technology". For a discussion of the request and staff recommendation please refer to the discussion above. Staff recommends the Committee approve zeroing out this line item for FY 2012-13.**

Asset Management

The Department anticipates allocating State Lottery proceeds totaling \$270,000 for this purpose. This line item funds annual replacement of computers and other information technology equipment previously funded through the 'Major Repairs and Minor Improvements' line item in the Department's capital construction budget. **Request -7 moves this line item into a new line item titled "Information Technology". For a discussion of the request and staff recommendation please refer to the discussion above. Staff recommends the Committee approve zeroing out this line item for FY 2012-13.**

INFORMATION TECHNOLOGY (New Line Item)

This new line item, requested by the Department with Request - 7, consolidates the funding for the following three line items: System Operations and Support, Connectivity at State Parks, and Asset Management. **Staff recommends the Committee approve funding this line item at \$1,301,500 from lottery proceeds.**

Law Enforcement Equipment

This line item was created during FY 2008-09 as a result of a decision item to fund new park ranger equipment and the regular replacement of existing state parks ranger equipment. This line item also paid for uniforms for rangers. The funding for this line item was from lottery proceeds totaling \$126,780. The calculation was based on providing uniforms to 126 rangers each year at a cost of \$75,600, fully equipping 10 new rangers each year due to turnover at a cost of \$34,680, and replacing 25 body armor vests each year at a cost of \$16,500. **Funding for this line item was discontinued starting with FY 2011-12 because the Department did not request an appropriation. The Department stated that over the three years the law enforcement equipment line item was funded, expenditures for ranger uniforms were paid out of the State Park Operations line item using cash fund sources including lottery proceeds.** The Committee does not need to act on this line item.

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.

Staff recommends the Department request for a continuation appropriation in FY 2012-13 of \$2,200,000 (\$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).

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.

The Department requests an appropriation of \$2,684,673 cash funds (Division of Parks and Outdoor Recreation Aquatic Nuisance Species Fund) and 7.0 FTE. **Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy.** The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation – (6) Division of Parks and Wildlife, (A) Parks and Outdoor Recreation, (III) Special Purpose; S.B. 08-226 Aquatic Nuisance Species — Department of Natural Resources		
	Cash Funds	FTE
Personal Services (estimate)	1,940,148	7.0
Operating Expense (estimate)	<u>736,919</u>	—
FY 2011-12 Appropriation	2,677,067	7.0
Restore S.B. 11-76 PERA	<u>7,606</u>	—
Continuation Estimate	2,684,673	7.0
Total Recommendation	PENDING	7.0

Indirect Cost Assessment

The Department requests \$1,630,331 total funds (\$1,585,363 cash funds and \$44,968 federal 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. After the JBC's figure setting decisions have been made, JBC staff will work with the Department to determine whether any revisions to the indirect cost plan will be required. If changes in indirect cost recoveries are necessary, staff will present them to the JBC for final approval prior to the introduction of the Long Bill.

Summary of Recommendation – (6) Division of Parks and Wildlife, (A) Parks and Outdoor Recreation, (III) Special Purpose; Indirect Cost Assessment — Department of Natural Resources			
	CF	FF	Total
FY 2011-12 Appropriation	1,583,099	47,169	1,630,268
Indirect Cost Adjustment	2,264	(2,201)	<u>63</u>
Continuation Estimate			1,630,331
Total Recommendation			1,630,331

(B) WILDLIFE

The table below shows a summary of the Department request for the Division of Parks and Wildlife, Wildlife Sub-division for FY 2012-13.

Category	GF	CF	RF	FF	Total	FTE
(6) Wildlife Sub-division Current Appropriation	\$0	\$74,317,411	\$0	\$10,787,683	\$85,105,094	629.4
Restore S.B. 11-76 PERA	0	749,264	0	203,551	952,815	0.0
Indirect Cost Adjustments	<u>0</u>	<u>50,220</u>	<u>0</u>	<u>(90,853)</u>	<u>(40,633)</u>	<u>0.0</u>
Wildlife Sub-division Base Request	\$0	\$75,116,895	\$0	\$10,900,381	\$86,017,276	629.4
NPBA - OIT Staff Transfer	<u>0</u>	<u>150,470</u>	<u>0</u>	<u>0</u>	<u>150,470</u>	<u>2.0</u>
(6) Wildlife Sub-division Total Request	\$0	\$75,267,365	\$0	\$10,900,381	\$86,167,746	631.4
Change	\$0	\$949,954	\$0	\$112,698	\$1,062,652	2.0
Percent Change	n/a	1.3%	n/a	1.0%	1.2%	0.3%

The table below shows a summary of the staff recommendation for the Division of Parks and Wildlife, Wildlife Sub-division for FY 2012-13.

Category	GF	CF	RF	FF	Total	FTE
(6) Wildlife Sub-division Current Appropriation	\$0	\$74,317,411	\$0	\$10,787,683	\$85,105,094	629.4
Restore S.B. 11-76 PERA	0	749,264	0	203,551	952,815	0.0
Indirect Cost Adjustments	<u>0</u>	<u>50,220</u>	<u>0</u>	<u>(90,853)</u>	<u>(40,633)</u>	<u>0.0</u>
Wildlife Sub-division Base Recommendation	\$0	\$75,116,895	\$0	\$10,900,381	\$86,017,276	629.4
NPBA - OIT Staff Transfer	0	150,470	0	0	150,470	2.0
Pending Personal Services/Program Line Items	<u>0</u>	<u>(62,941,491)</u>	<u>0</u>	<u>(10,313,919)</u>	<u>(73,255,410)</u>	<u>0.0</u>
(6) Wildlife Sub-division Total Recommendation	\$0	\$12,325,874	\$0	\$586,462	\$12,912,336	631.4
Change	\$0	(\$61,991,537)	\$0	(\$10,201,221)	(\$72,192,758)	2.0
Percent Change	n/a	-83.4%	n/a	-94.6%	-84.8%	0.3%

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 over 230 state wildlife areas totaling more than 600,000 acres. 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 provide more than half of the funding for wildlife. Approximately 67.5 percent or \$50.6 million of total license sales are from big game species (mainly elk and deer) and about 55.3 percent or \$41.5 million of all revenues from license sales come from the sale of non-resident big game species licenses. The table below shows Wildlife revenues by category.

Wildlife Revenues		
	FY 2009-10 Actual	FY 2010-11 Actual
Big Game Hunting	50,107,619	50,618,763
Small Game Hunting	2,117,836	2,040,327
Fishing	13,646,074	13,369,982
Habitat Stamp	3,564,254	5,704,325
Other Licenses	<u>5,192,651</u>	<u>3,297,240</u>
Subtotal: License Sales	74,628,434	75,030,637
Federal Funds	24,204,131	24,236,684
Great Outdoors Colorado Grants	11,155,219	22,053,229
State Funds (Severance Tax and Species Conservation Trust Fund)	3,039,946	3,562,358
Other*	<u>4,629,696</u>	<u>4,153,744</u>
Total Wildlife Revenues	\$117,657,426	\$129,036,652

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

The Wildlife sub-division contains appropriations for the following programs:

Wildlife Habitat. This program supports habitat for the more than 900 game and non-game species in Colorado. Activities include operation and maintenance of roughly 256 State Wildlife Areas, identification of high priority wildlife habitat, conservation of high priority habitat, maintenance of instream flow, improvement of wildlife habitat (including water quality), improvement of habitat through cooperative projects on public and private lands, and providing comments to local, state, and federal agencies regarding the impact to wildlife of certain land use and permitting decisions.

Wildlife Species. This program preserves, protects, and enhances the viability of all Colorado wildlife species. This program includes: efforts to inventory wildlife species and determine their population status; projects to assess, restore, and acquire species habitat; studies to better understand species' life needs; and projects to transplant / re-introduce species to bolster population

levels. For species with dangerously low population levels, the program develops and implements management plans with the intent of ensuring these species maintain viable population levels and do not become candidates for listing under the federal Endangered Species Act.

Hunting Recreation. This program funds the management of game species and their habitat, which includes habitat modification and improvement, predator control, herd inventory, development of herd objectives, and monitoring of harvest levels. This program also involves providing access to hunting on both public and private lands, managing the conflicts between big game and agricultural interests through the Habitat Partnership Program, compensating landowners for game related damage, and providing hunting information.

Fishing Recreation. This program seeks to provide fishing opportunities by expanding access to fishing waters, monitoring catch levels, studying and strategically managing fish populations, producing and stocking certain fish species, researching Whirling Disease and other fish health topics, and protecting water habitats.

Watchable Wildlife. This program provides wildlife viewing opportunities through the development, construction, and maintenance of watchable wildlife viewing facilities at state wildlife areas, at state parks, and on other public and private lands. This program also provides viewing guides, brochures, videos, and workshops aimed at educating the public regarding wildlife viewing.

Law Enforcement. This program seeks to enforce regulations pertaining to hunting and fishing to ensure public safety. Activities under this program include maintaining a field presence to deter illegal activity and inspect licenses, checking bag and possession limits, responding to complaints of illegal activities, investigating hunting accidents, and conducting special law enforcement activities.

Licensing. This program handles the licensing of hunters and anglers in Colorado, including managing "limited" licensing draws where a random drawing is used to allocate a fixed number of licenses. This program includes working with private sales agents who sell licenses, as well as maintaining data about license holders in the Division's Colorado Outdoor Recreation Information System (CORIS) database.

Wildlife Education. This program is designed to provide public outreach and education to the citizens of Colorado on wildlife protection and recreation issues. Activities include providing the public with information on how to live in harmony with wildlife and how to enjoy wildlife recreation, as well as providing basic ecological and scientific information to interested members of the public.

Wildlife Information. This program is responsible for providing information about wildlife related recreation to the public. This information includes explanations of applicable statutes and regulations, how to apply for limited licenses, and how to enjoy wildlife related recreation safely.

Information is provided through brochures, radio programs, videos, maps, magazines, the Internet, and newsletters.

Customer Service. This program maintains 16 customer service centers through the State, as well as managing a telephone call center in the Denver headquarters office. These centers respond to customer inquiries, respond to calls about nuisance wildlife, and sell licenses and other Division products to the public.

Public Policy. This program is designed to analyze public satisfaction with wildlife resource management by the Division and develop a policymaking process which includes the public. Activities under this program include establishing wildlife regulations, surveying public opinion, holding public meetings, and analyzing wildlife related policy issues.

Human Resources. This program is responsible for the hiring of new Division staff, evaluating and providing staff training, overseeing basic training for new law enforcement officers, developing a diverse workforce, and working with Colorado colleges and universities to offer scholarships, internships, mentoring, volunteer experiences, and summer jobs to students.

Internal Systems. This program provides computer and professional support for all Division programs and activities. Related functions include the following: accounting and finance; supporting employee computers, telecommunications equipment, and the Division's website; preparing contracts and legal documents; applying for and monitoring grant expenditures; maintaining Division facilities, and equipment; providing Division planning, and budgeting; providing engineering/design support for proposed construction projects; and managing construction projects.

In FY 2006-07, the JBC approved the Division of Wildlife's request to consolidate the above mentioned programs into four line items: Director's Office, Wildlife Management, Technical Services, and Information Technology.

The table below shows a consolidated FTE summary table for Wildlife.

Wildlife Consolidated Staffing Summary	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Recommendation
Engineers	20.1	20.6	20.7	20.7
Geographic Information Systems	9.7	11.0	13.0	13.0
Information/Education	30.3	33.5	33.5	33.5
Laboratory Technicians/Veterinarian	4.0	4.0	4.0	4.0
Management and Administration	121.5	127.5	127.5	127.5

Wildlife Consolidated Staffing Summary	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Recommendation
Policy Analyses and Administration	5.6	9.0	9.0	9.0
Property/Hatchery Technicians	129.6	126.0	126.0	126.0
Scientist/Researcher	39.6	40.0	40.0	40.0
Wildlife Management/Biologist	262.8	245.8	245.7	245.7
Accounting and Procurement	8.0	8.0	8.0	8.0
Licensing	3.9	4.0	4.0	4.0
Total	635.1	629.4	631.4	631.4

(B) WILDLIFE

(I) Division Operations

Director's Office

The staff in the Director's Office are responsible for the overall management and oversight of Division 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.

(B) Wildlife, (I) Division Operations - Director's Office Staffing Summary	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Recommendation
Information/Education	1.0	2.0	2.0	2.0
Management and Administration	5.3	7.0	7.0	7.0
Policy Analyses and Administration	5.6	9.0	9.0	9.0
Total	11.9	18.0	18.0	18.0

The Department requests total funding of \$2,037,530 (\$1,917,951 cash funds and \$119,579 federal funds) and 18.0 FTE). **Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy.** The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation – (6) Division of Parks and Wildlife, (B) Wildlife, (I) Division Operations, Director's Office — Department of Natural Resources				
	Cash Funds	Federal Funds	Total	FTE
Personal Services (estimate)	1,284,363	77,178	1,361,541	18.0
Operating Expense (estimate)	<u>613,133</u>	<u>36,844</u>	<u>649,977</u>	—
FY 2011-12 Appropriation	1,897,496	114,022	2,011,518	18.0
Restore S.B. 11-76: 2.5 % PERA	20,455	5,557	26,012	0.0
Continuation Estimate			PENDING	18.0
Total Recommendation			PENDING	18.0

Wildlife Management

This line item is used to fund the programs that manage the state's wildlife resources, which include: wildlife habitat, wildlife species, hunting recreation, fishing recreation, watchable wildlife, licensing, and wildlife education.

(B) Wildlife, (I) Division Operations - Wildlife Management Staffing Summary	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Recommendation
Engineers	2.0	1.9	2.0	2.0
Geographic Information Systems	9.7	11.0	13.0	13.0
Information/Education	29.3	31.5	31.5	31.5
Laboratory Technicians/Veterinarian	4.0	4.0	4.0	4.0
Management and Administration	95.0	95.0	95.0	95.0
Property/Hatchery Technicians	129.6	126.0	126.0	126.0
Scientist/Researcher	39.6	40.0	40.0	40.0
Wildlife Management/Biologist	261.4	242.0	241.9	241.9
Total	570.6	551.4	553.4	553.4

The table below shows actual FY 2010-11 personal services and operating expenses for the Wildlife Management program my program area.

Division of Parks and Wildlife, (B) Wildlife, (I) Division Operations, Wildlife Management FY 2010-11				
Actual Expenditures by Category				
Program Area	Personal Services	Operating	Capital Outlay	Total
Habitat Protection	\$8,232,168	\$3,534,271	\$137,184	\$11,903,623
Wildlife Species Protection	4,970,264	2,084,668	44,294	7,099,226
Provide Hunting Opportunities	6,136,334	4,282,858	48,734	10,467,926
Provide Fishing Opportunities	8,029,444	3,233,053	183,451	11,445,948
Provide Viewing Opportunities	198,329	106,129	0	304,458
Law Enforcement	3,778,623	604,392	17,938	4,400,953
License Administration	85,921	1,663	0	87,584
Wildlife Education	1,968,361	1,010,953	57	2,979,371
Public Information	1,262,105	2,110,494	0	3,372,599
Customer Services	5,259,419	481,504	19,057	5,759,980
Public Policy	362,848	107,104	0	469,952
Human Resources	5,053,313	600,590	12,623	5,666,526
Internal Systems	<u>2,566,953</u>	<u>4,434,369</u>	<u>127,264</u>	<u>7,128,586</u>
Total	\$47,904,082	\$22,592,048	\$590,602	\$71,086,732

* Includes Potted Items Appropriated in the Executive Director's Office.

The Department requests total funding of \$64,681,781 (\$54,502,707 cash funds and \$10,179,074 federal funds) and 553.4 FTE. **Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy.** The table below shows the staff calculation for the items that are not pending.

- Non-prioritized Budget Amendment: OIT Staff Transfer - Technical Adjustment** - On January 3, 2012, the Department submitted a non-prioritized budget amendment to reduce the appropriation to the Purchase of Services from Computer Center line item by \$150,470 and increase the appropriation to the Division of Parks and Wildlife, Wildlife, Division Operations, Wildlife Management by \$150,470 (Wildlife Cash Fund) and 2.0 FTE. This is a request submitted by the Office of Information Technology to return 2.0 FTE to the Division of Parks and Wildlife and \$172,108 and 2.0 FTE to the Department of Public Health and Environment. The OIT and the Department state that during the OIT consolidation every OIT-related FTE was transferred out of departments. However, the 2.0 FTE in Wildlife have been determined to be highly specialized positions that have more of a program function than IT function. **Staff discussed this non-prioritized request up in the EDO, Purchase of Services from Computer Center line item. Staff recommends the Department request.**

Summary of Recommendation – (6) Division of Parks and Wildlife, (B) Wildlife, (I) Division Operations, Wildlife Management — Department of Natural Resources				
	CF	FF	Total	FTE
Personal Services (Estimate)	37,130,844	6,907,811	44,038,655	551.4
Operating Expense (Estimate)	<u>16,558,070</u>	<u>3,080,459</u>	<u>19,638,529</u>	0.0
FY 2011-12 Appropriation	53,688,914	9,988,270	63,677,184	551.4
Restore S.B. 11-76: 2.5 % PERA	663,323	190,804	854,127	0.0
Continuation Estimate			PENDING	551.4
NPBA-1 OIT Staff Transfer	150,470	0	150,470	2.0
Total Recommendation			PENDING	553.4

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.

(B) Wildlife, (I) Division Operations - Technical Services Staffing Summary	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Recommendation
Accounting and Procurement	8.0	8.0	8.0	8.0
Engineers	18.1	18.7	18.7	18.7
Licensing	3.9	4.0	4.0	4.0
Management and Administration	21.2	25.5	25.5	25.5
Wildlife Management/Biologist	1.4	3.8	3.8	3.8
Total	52.6	60.0	60.0	60.0

The Department requests funding totaling \$6,536,099 (\$6,520,833 cash funds and \$15,266 federal funds) and 60.0 FTE. **Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy.** The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation – (6) Division of Parks and Wildlife, (B) Wildlife, (I) Division Operations, Technical Services — Department of Natural Resources				
	CF	FF	Total	FTE
Personal Services (Estimate)	4,837,050	6,051	4,843,101	60.0
Operating Expense (Estimate)	<u>1,618,297</u>	<u>2,025</u>	<u>1,620,322</u>	<u>0.0</u>
FY 2011-12 Appropriation	6,455,347	8,076	6,463,423	60.0
Restore S.B. 11-76: 2.5 % PERA	65,486	7,190	72,676	0.0
Continuation Estimate			PENDING	60.0
Total Recommendation			PENDING	60.0

Information Technology

This line item provides funding for information technology systems necessary for core Wildlife functions by providing funding for computer and communications infrastructure, standardized software applications, and maintenance of new and existing business applications.

The Department requests continuation funding. **Staff recommends the Department request.**

Summary of Recommendation – (6) Division of Parks and Wildlife, (B) Wildlife, (I) Division Operations, Information Technology — Department of Natural Resources	
	CF
FY 2011-12 Appropriation	<u>1,580,395</u>
Total Recommendation	1,580,395

Bottom Line Funding Recommendation

Staff recommendations on bottom line funding sources in the Long Bill for Division Operations is **PENDING Committee Action on the Base Personal Services Reduction Common Policy**. Staff will work with the Department to adjust any fund splits based on updated information or changes to common policy line items.

Summary of Recommendation –Division of Parks and Wildlife, (B) Wildlife, (I) Division Operations — Department of Natural Resources			
	CF	FF	Total
Director's Office			
Wildlife Management			
Technical Services			
Information Technology			
Total Recommendation			PENDING
Wildlife Cash Fund (Section 33-1-112 (1), C.R.S.)			
Colorado Outdoor Sales			
Great Outdoors Colorado (non-appropriated)			
Operational Account of the Severance Tax Trust Fund			

Summary of Recommendation –Division of Parks and Wildlife, (B) Wildlife, (I) Division Operations — Department of Natural Resources			
	CF	FF	Total
Federal Aid Projects Fund			
Wildlife Mgmt. Public Education Fund (Section 33-1-112 (3.5), C.R.S.)			
Donations			
Miscellaneous Federal Funds			
Total Recommendation			PENDING

(B) WILDLIFE
(II) Special Purpose

Wildlife Commission Discretionary Fund DISCRETIONARY FUND (Staff recommendation for new line item name).

This appropriation is used to provide "seed" money to the Division for cooperative efforts to enhance wildlife and wildlife management. The Division must apply to the Parks and Wildlife Board for this money and may work in cooperation with other agencies to complete the proposed projects. Past 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 Division's new budgeting software system, partial funding for research on declining mule deer populations in Colorado, and a study on limited licensing.

Staff notes that S.B. 11-208 merged the Wildlife Commission and the Parks Board into a new Parks and Wildlife Board. As such, the Wildlife Commission no longer exists as a legal entity. The Department has not requested changing the name of this line item, however, staff recommends that the Committee approve changing the name of the line item to "Discretionary Fund".

Staff recommends the Department's continuation request of \$160,000 cash funds for this line item.

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

Staff recommends the Department's request for continuation funding of \$1,625,000 (\$1,475,000 Wildlife Cash Fund and \$150,000 from the sale of waterfowl stamps). 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.

Similar to FY 2011-12, staff recommends including a footnote in the FY 2012-13 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 2014-15, 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 2011-12, staff recommends including a footnote in the FY 2012-13 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

Staff recommends the Department's request for \$3,556,990 for the purpose of indirect cost recoveries, including \$2,970,528 cash funds (Wildlife Cash Fund) and \$586,462 federal funds. This appropriation will be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. After the JBC's figure setting decisions have been made, JBC staff will work with the Department to determine whether any revisions to the indirect cost plan will be required. If changes in indirect cost recoveries are necessary, staff will present them to the JBC for final approval prior to the introduction of the Long Bill.

Summary of Recommendation – (6) Division of Parks and Wildlife, (B) Wildlife, (I) Special Purpose, Indirect Cost Assessment — Department of Natural Resources			
	CF	FF	Total
FY 2011-12 Appropriation	2,920,308	677,315	3,597,623
Indirect Cost Adjustment	<u>50,220</u>	<u>(90,853)</u>	<u>(40,633)</u>
Continuation Estimate	2,970,528	586,462	3,556,990
Total Recommendation	2,970,528	586,462	3,556,990

Bottom Line Funding Recommendation

Staff recommends the following funding sources be reflected in the Long Bill. These sources are based on information provided in the Division of Parks and Wildlife's budget schedules. Staff will work with the Department to adjust any fund splits based on updated information or changes to common policy line items.

Summary of <u>Recommendation</u> – Division of Parks and Wildlife, (B) Wildlife, (I) Special Purpose			
	Cash Funds	Federal Funds	Total Funds
Wildlife Commission Discretionary Fund	160,000	0	160,000
Game Damage Claims and Prevention	1,282,500	0	1,282,500
In stream Flow Program	296,027	0	296,027
S.B. 08-226 Aquatic Nuisance Species	1,304,544	0	1,304,544
Habitat Partnership Program	2,500,000	0	2,500,000
Grants and Habitat Partnerships	1,625,000	0	1,625,000
Asset Maintenance and Repairs	606,880	0	606,880
Indirect Cost Assessment	<u>2,970,528</u>	<u>586,462</u>	<u>3,556,990</u>
Total Recommendation	10,745,479	586,462	11,331,941
Wildlife Cash Fund (Section 33-1-112 (1), C.R.S.)	6,790,935	0	6,790,935
Habitat Partnership Cash Fund (Section 33-1-112 (8) (a), C.R.S.)	2,500,000	0	2,500,000
Wildlife Aquatic Nuisance Species Fund (Section 33-10.5-108 (2)(a), C.R.S.)	1,304,544	0	1,304,544
Sale of Waterfowl Stamps (Section 33-4-102.5 (3)(a), C.R.S.)	150,000	0	150,000
Operational Account of the Severance Tax Trust Fund	0	0	0
Federal Funds	<u>0</u>	<u>586,462</u>	<u>586,462</u>
Total Recommendation	10,745,479	586,462	11,331,941

(7) COLORADO WATER CONSERVATION BOARD

Funding for the Division's administration was variably supported with some General Fund subsidy in the 1990s until FY 2000-01 (when the General Fund covered up to half of administrative costs). 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. In addition, the General Assembly transferred \$10,250,000 from the CWCB Construction Fund into the General Fund as part of budget balancing for FY 2008-09.

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. Fund splits shown in this document are based on staff recommendation; staff will adjust fund splits accordingly based on Committee action.

The CWCB consists of fifteen members. 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. The CWCB Loan Program interest rates are calculated as a percent of the Baseline Rate and rounded to the nearest 0.25 % per the Board's Financial Policy #7.

FY 2011-12 CWCB Lending Rates	
Type of Loan	Interest Rates
Baseline Rate	5.86%
Commercial/Industrial (110%)	6.50%
Municipal High Income (90%)	5.00%
Municipal Middle Income (80%)	4.50%
Municipal Low Income (70%)	4.00%
Hydroelectric Rate	2.00%
Agricultural (10 years repayment)	2.25%

FY 2011-12 CWCB Lending Rates	
Agricultural (20 years repayment)	2.50%
Agricultural (30 years repayment)	2.75%
Restricted Reservoir Rate (10 years repayment)	1.25%
Restricted Reservoir Rate (20 years repayment)	1.50%
Restricted Reservoir Rate (30 years repayment)	1.75%

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, H.B. 11-1274). 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.

The General Assembly has so far transferred \$173.4 million (\$163.1 million from the Perpetual Base Account and \$10.3 million from the CWCB Construction Fund) to the General Fund for budget balancing purposes. The narratives and tables below discuss the current balances of the two accounts.

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) (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. For FY 2011-12, H.B. 11-1274 appropriated \$13.9 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.

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. The CWCB Construction Fund receives a distribution of 10.0 percent of non-bonus FML revenue, up to a statutory cap that grows by four percent.

The CWCB Construction Fund also pays for the administrative expenses of the CWCB. For FY 2012-13 the CWCB estimates that it will need \$7.2 million for salaries, operating costs, and other related expenditures. In addition the CWCB Construction Fund provides funding for non-reimbursable projects and special account replenishment, an estimated \$10.0 million in FY 2012-13. The CWCB anticipates providing loans for new water projects totaling \$9.1 million in FY 2012-13.

Colorado Water Conservation Board Construction Fund (Based on December 2011 Legislative Council Staff Revenue Estimate)				
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
	Actual	Actual	Estimate	Estimate
Beginning Balance	\$36,697,945	\$84,336,896	\$107,444,626	\$92,557,086
Adjustments to Beginning Balance ¹	(23,901,592)	(79,809,899)	(85,572,290)	(82,238,923)
Accounts Receivable (Principal/Interest)	17,108,628	15,670,922	15,511,576	16,187,377
FML Revenues	11,724,295	14,722,345	15,528,366	15,549,001
Animas-La Plata Project Transfer	<u>0</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>
Total Available	41,629,276	46,920,264	64,912,278	54,054,541
CWCB, DWR, EDO, and AG Operations	5,881,385	5,989,346	7,138,343	7,219,123
Non-Reimbursable Investments & Cash Replenishment	9,671,214	10,108,764	10,000,000	10,000,000
Animas-La Plata Expenditure	0	0	0	0
Actual Loan Issuances	16,311,590	15,422,953	15,748,496	0
Anticipated Loan Issuances (pre-qualified)	0	0	9,101,525	9,101,525
Maximum Amount Available for Loans ²	<u>0</u>	<u>0</u>	<u>22,500,000</u>	<u>27,700,000</u>
Total Expenditures	31,864,189	31,521,063	64,488,364	54,020,648
Ending Balance	\$9,765,087	\$15,399,201	\$423,914	\$33,893

¹ The "Adjustments to Beginning Balance" category is part of a new cash funds reporting methodology used by the Department starting on November 1, 2011. It includes an adjustment for prior year approved loans/grants that have not been spent, as well as other adjustments.

² The "Maximum Amount Available for Loans" is the Department's estimate of unobligated fund balance.

Perpetual Base Account of the Severance Tax Trust Fund

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

The June 30, 2011, financial statements for the Perpetual Base Account show total equity of \$312.3 million (\$175.6 million restricted for loans, \$105.1 million restricted for authorized projects, \$25.0 million restricted for transfer to the General Fund, as well as \$6.6 million unrestricted cash).

The table below shows the Department estimate of revenues and expenditures for the Perpetual Base Account. For FY 2012-13, the Governor is proposing transferring another \$33.9 million to the General Fund. **Staff recommends the Committee sponsor legislation to transfer \$33,850,000 from the Perpetual Base Account to the General Fund in FY 2012-13 as a budget balancing action.**

Perpetual Base Account of the Severance Tax Trust Fund (Based on December 2011 Legislative Council Staff Revenue Estimate)				
	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Estimate
Beginning Balance	\$40,454,321	\$4,865,510	\$22,130,017	\$3,532,130
Prior Year Reserve ¹	0	0	0	13,000,000
Receivables/Interest Earnings	7,062,895	6,538,389	7,448,802	6,753,962
Severance Tax	17,856,646	35,005,279	42,615,000	41,291,000
Principal Repayment	<u>4,151,218</u>	<u>4,094,531</u>	<u>4,438,311</u>	<u>4,919,809</u>
Total Available	69,525,080	50,503,709	76,632,130	69,496,901
Agriculture Emergency Drought Grants	0	0	0	1,000,000
Loan Issuances	659,570	373,692	0	13,000,000
Animas La-Plata Water Purchase (H.B. 10-1250; Sect. 7 and 8)	<u>0</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>
Total Expenditures	\$659,570	\$12,373,692	\$12,000,000	\$26,000,000
Ending FY Balance without transfers	\$68,865,510	\$38,130,017	\$64,632,130	\$43,496,901
Transfers to the General Fund in S.B. 09-279 (Sect. 22)	(62,000,000)	0	0	0
Transfer to the General Fund in H.B. 10-1327 (Sect. 8)	(2,000,000)	0	0	0
Transfer to the General Fund in H.B. 10-1388 (Sect. 2)	0	(11,000,000)	0	0
Transfer to the General Fund in S.B. 11-164 (Sect. 9)	0	(5,000,000)	0	0
Transfer to the General Fund in S.B. 11-226 (Sect. 6)	0	0	(48,100,000)	0
Reserve per direction from Governor's Office	0	0	(13,000,000)	(7,000,000)

Perpetual Base Account of the Severance Tax Trust Fund (Based on December 2011 Legislative Council Staff Revenue Estimate)				
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
	Actual	Actual	Estimate	Estimate
Refinance Dept. of Revenue Severance Tax Collection and Administration (R-7)	0	0	0	(401,181)
November 1, 2011 Request to transfer \$33.85 million to the General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>(33,850,000)</u>
Ending Balance	\$4,865,510	\$22,130,017	\$3,532,130	\$2,245,720

^{1/} Per Direction from the Governor, the \$13.0 million reserve in FY 2011-12 will be released and used for loan issuances in FY 2012-13.

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 potential proportional reductions to Tier II program if the General Assembly does not act through legislation with targeted cuts. Under one scenario, the Tier II programs listed below could be cut proportionally by \$3.8 million in FY 2012-13. The status of the Operational Account will be discussed in a separate figure setting packet.

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. The FY 2011-12 appropriation and FY 2012-13 request totals \$1,319,250, or 2.2 percent and 2.5 percent of Tier I appropriations respectively.

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 scheduled to receive \$550,000 from Tier II of the Operational Account in FY 2012-13 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.

The table below shows the Department request for the Colorado Water Conservation Board's FY 2012-13 appropriations.

Category	GF	CF	RF	FF	Total	FTE
(7) Colorado Water Conservation Board Current Appropriation	\$0	\$21,835,952	\$291,587	\$138,817	\$22,266,356	45.7
Restore S.B. 11-76 PERA	0	81,079	0	2,294	83,373	0.0
Annualize H.B. 11-1274 CWCB Project Bill	0	(13,625,000)	0	0	(13,625,000)	0.0
Indirect Cost Adjustments	0	(63,076)	0	3,991	(59,085)	0.0
Colorado Water Conservation Board Base Request	\$0	\$8,228,955	\$291,587	\$145,102	\$8,665,644	45.7
No Change Requests	0	0	0	0	0	0.0
(7) Colorado Water Conservation Board Total Request	\$0	\$8,228,955	\$291,587	\$145,102	\$8,665,644	45.7
Change	\$0	(\$13,606,997)	\$0	\$6,285	(\$13,600,712)	0.0
Percent Change	n/a	-62.3%	0.0%	4.5%	-61.1%	0.0%

The table below shows the staff appropriations recommendation for the Colorado Water Conservation Board for FY 2012-13.

Category	GF	CF	RF	FF	Total	FTE
(7) Colorado Water Conservation Board Current Appropriation	\$0	\$21,835,952	\$291,587	\$138,817	\$22,266,356	45.7
Restore S.B. 11-76 PERA	0	81,079	0	2,294	83,373	0.0
Annualize H.B. 11-1274 CWCB Project Bill	0	(13,625,000)	0	0	(13,625,000)	0.0
Indirect Cost Adjustments	0	(63,076)	0	3,991	(59,085)	0.0
Colorado Water Conservation Board Base Recommendation	\$0	\$8,228,955	\$291,587	\$145,102	\$8,665,644	45.7

Category	GF	CF	RF	FF	Total	FTE
Pending Personal Services / Program Line Items	0	(5,350,531)	(291,587)	(130,196)	(5,772,314)	0.0
(7) Colorado Water Conservation Board Total Recommendation	\$0	\$2,878,424	\$0	\$14,906	\$2,893,330	45.7
Change	\$0	(\$18,957,528)	(\$291,587)	(\$123,911)	(\$19,373,026)	0.0
Percent Change	n/a	-86.8%	-100.0%	-89.3%	-87.0%	0.0%

(7) Water Conservation Board Staffing Summary	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Recommendation
Director / Deputies / Assistant	1.6	2.0	4.0	4.0
Administration	4.5	5.0	5.0	5.0
Interstate and Federal ¹	5.6	6.0	6.0	6.0
Finance Section ²	6.6	7.0	6.0	6.0
Office of Water Conservation ³	4.5	5.0	5.0	5.0
Flood Protection	5.5	6.0	5.0	5.0
Interbasin Compacts	3.7	3.7	3.7	3.7
Stream and Lake Protection	6.9	7.0	7.0	7.0
Water Information	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
Total	42.9	45.7	45.7	45.7

¹ In FY 2010-11, the Water Supply Protection Section changed its name to Interstate and Federal Section.

² In FY 2010-11, the Water Supply Planning and Finance Section changed its name to Finance Section.

³ The FTE includes 4.0 FTE in the Water Conservation Program and 1.0 FTE for H.B. 05-1254.

(A) Administration

Personal Services

The Department requests an appropriation of \$2,914,947 total funds (\$2,579,610 CWCB Construction Fund, \$43,750 Operational Account, and \$291,587 Wildlife Cash Fund) and 30.0 FTE.

Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy. The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation – (7) Colorado Water Conservation Board, (A) Administration, Personal Services — Department of Natural Resources				
	Cash Funds	Reappropriated Funds	Total	FTE
FY 2011-12 Appropriation	2,556,409	291,587	2,847,996	30.0
Restore S.B. 11-76: 2.5 % PERA	66,951	0	66,951	0.0
Continuation Estimate			PENDING	30.0
				<u>0.0</u>
Total Recommendation			PENDING	30.0

Operating Expenses

The Department request is shown in the table below.

Summary of Recommendation – (7) Colorado Water Conservation Board, (A) Administration, Operating Expenses — Department of Natural Resources	
	Cash Funds
FY 2011-12 Appropriation	472,761
Total Recommendation	472,761

The staff recommendation is presented in the table below.

Interstate Compacts

Prior to FY 2011-12, funding from the Interstate Compacts lin 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. 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.**

<u>Division</u>	<u>Area</u>
Colorado Water Conservation Board	Upper Colorado River Arkansas River Colorado River Basin Salinity Control
Division of Water Resources	South Platte River Republican River Rio Grande River Costilla Creek Animas-LaPlata LaPlata River

* State Engineer (Division of Water Resources) administers all of the water covered by the compacts.

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 Governor's 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.**

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.

The Department request is for \$456,784 cash funds (CWCB Construction Fund) and 4.0 FTE. **Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy.** The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation– (7) Colorado Water Conservation Board, (A) Administration, River Decision Support Systems — Department of Natural Resources		
	Cash Funds	FTE
Personal Services Estimate	347,221	4.0
Operating Expense Estimate	<u>100,660</u>	<u>0.0</u>
FY 2011-12 Appropriation	447,881	4.0
Restore S.B. 11-76: 2.5 % PERA	<u>8,903</u>	<u>0.0</u>
Continuation Estimate	PENDING	4.0
		<u>0.0</u>
Total Recommendation	PENDING	4.0

(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 a continuation appropriation of \$470,464 cash funds (Colorado Water Conservation Board Construction Fund) for continuing work on the SWSI project.

Federal Emergency Management Assistance

This federally-funded program provides flood plain mapping and flood prevention services. In FY 2005-06, the CWCB requested and was provided an increase (\$99,248) to receive FEMA 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 Department request for this line item is \$143,928 (\$13,732 CWCB Construction Fund and \$130,196 federal funds) and 2.0 FTE.

Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy. The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation– (7) Colorado Water Conservation Board, (B) Special Purpose, Federal Emergency Management Assistance — Department of Natural Resources				
	Cash Funds	Federal Funds	Total Funds	FTE
FY 2011-12 Appropriation	13,732	127,902	141,634	2.0
Restore S.B. 11-76: 2.5 % PERA	<u>0</u>	<u>2,294</u>	<u>2,294</u>	<u>0.0</u>
Continuation Estimate			PENDING	2.0
				<u>0.0</u>
Total Recommendation			PENDING	2.0

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. The FY 2012-13 request is for a continuing level of \$25,000. **Staff recommends the Division's request for \$25,000 cash funds.** The cash funding is 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. The Department requests \$285,166 CWCB Construction Fund and 4.0 FTE. **Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy.** The table below shows the staff calculation for the items that are not pending.

Summary of <u>Recommendation</u>– (7) Colorado Water Conservation Board, (B) Special Purpose, Water Conservation Program — Department of Natural Resources		
	Cash Funds	FTE
Personal Services Estimate	246,700	4.0
Operating Expense Estimate	<u>33,241</u>	—
FY 2011-12 Appropriation	279,941	4.0
Restore S.B. 11-76: 2.5 % PERA	<u>5,225</u>	<u>0.0</u>
Continuation Estimate	PENDING	4.0
		<u>0.0</u>
Total Recommendation	PENDING	4.0

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.

The Department requests that the name of the line item be changed from "H.B. 05-1254 Water Efficiency Grant Program" to "Water Efficiency Grant Program". The Department states that many bills have amended this program, and that the emphasis on the bill establishing the program is not necessary any more. **Staff recommends this Department request to change the name of the line item to "Water Efficiency Grant Program".**

The Department requests continuation funding totaling \$598,788 (\$498,788 Water Efficiency Grant Program Cash Fund and \$100,000 CWCB Construction Fund) and 1.0 FTE. **Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy.** The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation— (7) Colorado Water Conservation Board, (B) Special Purpose, Water Efficiency Grant Program — Department of Natural Resources		
	Cash Funds	FTE
Personal Services Estimate	82,749	1.0
Operating Expense (including grants) Estimate	<u>516,039</u>	—
FY 2011-12 Appropriation	598,788	1.0
Continuation Estimate	PENDING	1.0
Total Recommendation	PENDING	1.0

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, coalbed 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. However, the Operational Account is experiencing revenue a revenue shortfall and Tier II program may need to be reduced to balance the account, as such, staff is not recommending flagging this line for potential budget balancing actions.

Staff recommends an appropriation of \$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. The staff recommendation is the same as the Department request.

H.B. 05-1177 Negotiation of Interbasin Compacts

House Bill 05-1177 created nine permanent basin roundtables, one in each of the eight water divisions and one subregion roundtable consisting of the metro area. Each roundtable consists of representatives of local governments and water districts, as well as members representing stakeholders and outside interests that own water rights within the basin. The bill specified that the member of the Colorado Water Conservation Board residing within each roundtable will act as a liaison between the board and the Interbasin Compact Committee, and coordinate the Board's policies and resources. For FY 2005-06, the bill appropriated \$247,044 cash funds from the Operational Account of the Severance Tax Trust Fund and 0.5 FTE to the Department of Natural Resources, Colorado Water Conservation Board. For FY 2006-07, the bill appropriated \$237,444 cash funds from the Operational Account of the Severance Tax Trust Fund and 0.5 FTE to the Department of Natural Resources, Colorado Water Conservation Board.

Starting with FY 2007-08, this line item was transferred to a new line item entitled "Interbasin Compacts". Thus, **the Committee does not need to take action on this line.**

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.

The Department requests continuation funding of \$1,141,167 (\$741,167 Interbasin Compact Committee Operation Fund and \$400,000 CWCB Construction Fund) and 3.7 FTE. **Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy.** The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation— (7) Colorado Water Conservation Board, (B) Special Purpose, Interbasin Compacts — Department of Natural Resources		
	Cash Funds	FTE
Personal Services Estimate	400,000	3.7
Operating Expense Estimate	<u>741,167</u>	—
FY 2011-12 Appropriation	1,141,167	3.7
Continuation Estimate	PENDING	3.7
Total Recommendation	PENDING	3.7

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. The Department requests continuation funding totaling \$231,534 (Fish and Wildlife Resources Funds) and 1.0 FTE. **Staff recommendation for**

the line item is **PENDING Committee Action on the Base Personal Services Reduction Common Policy**. The table below shows the staff calculation for the items that are not pending.

Summary of <u>Recommendation</u>– (7) Colorado Water Conservation Board, (B) Special Purpose, Platte River Basin Cooperative Agreement — Department of Natural Resources		
	Cash Funds	FTE
Personal Services Estimate	96,000	1.0
Operating Expense Estimate	<u>135,534</u>	—
FY 2011-12 Appropriation	231,534	1.0
Continuation Estimate	PENDING	1.0
Total Recommendation	PENDING	1.0

S.B. 02-87 Colorado Watershed Protection Fund

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

Indirect Cost Assessment

Staff recommends the Department's request for \$529,663 for the purpose of indirect cost recoveries (\$514,757 CWCB Construction Fund and \$14,906 federal funds). This appropriation will be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. After the JBC's figure setting decisions have been made, JBC staff will work with the Department to determine whether any revisions to the indirect cost plan will be required. If changes in indirect cost recoveries are necessary, staff will present them to the JBC for final approval prior to the introduction of the Long Bill.

Summary of <u>Recommendation</u> – (7) Colorado Water Conservation Board, (B) Special Purpose, Indirect Cost Assessment — Department of Natural Resources			
	CF	FF	Total
FY 2011-12 Appropriation	577,833	10,915	588,748
Indirect Cost Adjustment	<u>(63,076)</u>	<u>3,991</u>	<u>(59,085)</u>
Continuation Estimate	514,757	14,906	529,663
Total Recommendation	514,757	14,906	529,663

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 (H.B. 11-1274).

(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 streamflow measurements, and groundwater regulation.
- The division is also responsible for ensuring public safety through regulating dam safety and groundwater well construction.
- The Division 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.
- Finally, the office 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 request for the Division of Water Resources for FY 2012-13.

Category	GF	CF	RF	FF	Total	FTE
(8) Water Resources Division Current Appropriation	\$18,299,926	\$1,862,735	\$0	\$129,123	\$20,291,784	252.1
Restore S.B. 11-76 PERA	384,244	5,881	0	0	390,125	0.0
Additional Federal Funds	0	0	0	41,218	41,218	0.0
Restore FY 2011 Operating Reduction	30,850	0	0	0	30,850	0.0
Annualize H.B. 11-1274 CWCB Project Bill	0	(300,000)	0	0	(300,000)	0.0
Indirect Cost Adjustments	<u>0</u>	<u>(18,827)</u>	<u>0</u>	<u>1,397</u>	<u>(17,430)</u>	<u>0.0</u>
Water Resources Division Base Request	\$18,715,020	\$1,549,789	\$0	\$171,738	\$20,436,547	252.1

Category	GF	CF	RF	FF	Total	FTE
R-3 Consolidation of Division of Water Resources Line Items	0	0	0	0	0	0.0
(8) Water Resources Division Total Request	\$18,715,020	\$1,549,789	\$0	\$171,738	\$20,436,547	252.1
Change	\$415,094	(\$312,946)	\$0	\$42,615	\$144,763	0.0
Percent Change	2.3%	-16.8%	n/a	33.0%	0.7%	0.0%

The table below shows the staff recommendations for the Division of Water Resources for FY 2012-13.

Category	GF	CF	RF	FF	Total	FTE
(8) Water Resources Division Current Appropriation	\$18,299,926	\$1,862,735	\$0	\$129,123	\$20,291,784	252.1
Restore S.B. 11-76 PERA	384,244	5,881	0	0	390,125	0.0
Additional Federal Funds	0	0	0	41,218	41,218	0.0
Restore FY 2011 Operating Reduction	30,850	0	0	0	30,850	0.0
Annualize H.B. 11-1274 CWCB Project Bill	0	(300,000)	0	0	(300,000)	0.0
Indirect Cost Adjustments	0	(18,827)	0	1,397	(17,430)	0.0
Water Resources Division Base Recommendation	\$18,715,020	\$1,549,789	\$0	\$171,738	\$20,436,547	252.1
R-3 Consolidation of Division of Water Resources Line Items	0	0	0	0	0	0.0
Pending Personal Services / Program Line Items	(18,715,020)	(1,413,080)	0	0	(20,128,100)	0.0
(8) Water Resources Division Total Recommendation	\$0	\$136,709	\$0	\$171,738	\$308,447	252.1
Change	(\$18,299,926)	(\$1,726,026)	\$0	\$42,615	(\$19,983,337)	0.0
Percent Change	-100.0%	-92.7%	n/a	33.0%	-98.5%	0.0%

Personal Services

Division of Water Resources Staffing Summary	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Recommendation
State Engineer, Deputy, Assistants	4.0	4.0	4.0	4.0

Division of Water Resources Staffing Summary	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Recommendation
Administration (accounting, info. tech., public information, budgeting, records)	13.7	15.0	15.0	15.0
Water Division Staff	177.9	182.1	182.1	182.1
Engineering, Technology, Investigations	15.4	17.0	17.0	17.0
Water Supply, Compacts, Ground Water	<u>30.6</u>	<u>34.0</u>	<u>34.0</u>	<u>34.0</u>
Total	241.6	252.1	252.1	252.1

Water Resources Division, Personal Services FY 2010-11 Actual Expenditures by Category			
Program Area	Personal Services	Operating	Total
Water Administration	\$17,705,114	\$1,263,878	\$18,968,992
Dam Safety	1,302,999	13,567	1,316,566
Dam Safety - Federal Grant	38,247	71,940	110,187
Well Inspection	<u>224,197</u>	<u>38,956</u>	<u>263,153</u>
Total	\$19,270,557	\$1,388,341	\$20,658,898

- Request -3. Division of Water Resources Line Item Consolidation.** The Division of Water Resources (DWR) proposes a line item consolidation and re-organization. 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.

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 on the following page for a detailed layout of the Department request.

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?

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.

Balancing the need for transparency and legislative oversight with the need for a Department to have the flexibility and resources necessary to carry out its mission and responsibilities. In this particular case, staff does not believe that implementing the re-organization and consolidation of line items will in any significant way diminish legislative control or transparency. In particular, the DWR personal services line item represents 87 percent of the Division's budget. If taken together with the operating expenses line item, the two lines represent 94.0 percent of the Division's budget. So, in reality, this is an issue about providing the Division the flexibility to manage its personal services and operating expenses as a program line. **Staff recommends that the Committee approve the Department request to consolidate and re-organize the**

Division of Water Resources based on the table provided by the Department (page 100 of this document).

Summary of Recommendation – (8) Water Resources Division Personal Services — Department of Natural Resources				
	General Fund	CF	Total	FTE
FY 2011-12 Appropriation	16,762,664	513,807	17,276,471	243.1
Restore S.B. 11-76: 2.5 % PERA	<u>373,706</u>	<u>2,755</u>	<u>376,461</u>	<u>0.0</u>
Continuation Estimate	17,136,370	516,562	17,652,932	243.1
R-3 DWR Line Item Consolidation	<u>(17,136,370)</u>	<u>(516,562)</u>	<u>(17,652,932)</u>	<u>(243.1)</u>
Total Recommendation	0	0	0	0.0

Staff recommends the Committee approve the Department Request-6, and zero out the Personal Services line item for FY 2012-13.

Operating Expenses

This line item is largely supported with General Fund, but also contains cash funds, from the Division of Water Resources Ground Water Management Cash Fund, the Well Inspection Cash Fund, the Water Data Bank Cash Fund, the Publication Cash Fund, and the Groundwater Publication Cash Fund.

Staff recommends the Committee approve the Department Request-6, and zero out the Operating Expenses line item for FY 2012-13.

Summary of Recommendation – (8) Water Resources Division Operating Expenses — Department of Natural Resources			
	General Fund	CF	Total
FY 2011-12 Appropriation	960,466	439,508	1,399,974
Restore FY 11 Operating Reduction	<u>30,850</u>	<u>0</u>	<u>30,850</u>
Continuation Estimate	991,316	439,508	1,430,824
R-3 DWR Line Item Consolidation	<u>(991,316)</u>	<u>(439,508)</u>	<u>(1,430,824)</u>
Recommendation	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 recommends the Committee approve the Department Request-6, and zero out the Interstate Compacts**

line item for FY 2012-13.

<u>Division</u>	<u>Area</u>
Colorado Water Conservation Board	Upper Colorado River Arkansas River Colorado River Basin Salinity Control
Division of Water Resources	South Platte River Republican River Rio Grande River Costilla Creek Animas-LaPlata LaPlata River

* Note: the Division of Water Resources administers the actual water for all the compacts.

Republican River Compact Compliance

This line item funds 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 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 streamflow 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 (Streamflow 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 recommends the Committee approve the Department Request-6, and zero out the Republican River Compact Compliance line item for FY 2012-13.

Summary of Recommendation – (8) Water Resources Division Republican River Compact Compliance — Department of Natural Resources				
	General Fund	CF	Total	FTE
Personal Services Estimate	289,022	0	289,022	5.0
Operating Expenses Estimate	<u>20,400</u>	<u>0</u>	<u>20,400</u>	—
Total FY 2011-12 Appropriation	309,422	0	309,422	5.0
Restore S.B. 11-76 PERA	<u>6,942</u>	<u>0</u>	<u>6,942</u>	<u>0.0</u>
Continuation Estimate	316,364	0	316,364	5.0
R-3 DWR Line Item Consolidation	<u>(316,364)</u>	<u>0</u>	<u>(316,364)</u>	<u>(5.0)</u>
Total Recommendation	0	0	0	0.0

(A) DIVISION OPERATIONS (New Sub-division)

WATER ADMINISTRATION (New Line Item)

The Department submitted Request-6 to consolidate certain line items and re-organize the Division. **Staff recommends that the Committee approve the Department request.**

The new Water Administration program line item will house funding for the following former line items: Personal Services; Operating Expenses; Interstate Compacts; Republican River Compact Compliance; Augmentation of Water for Sand and Gravel Extraction; and S.B. 04-225 Well Enforcement. Staff calculates that the new line item will receive an initial appropriation of \$19,162,021 total funds (\$18,520,052 General Fund and 641,969 Cash Funds) and 245.1 FTE. **Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy.** The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation (A) DIVISION OPERATIONS, WATER ADMINISTRATION – (8) Water Resources Division, — Department of Natural Resources				
	General Fund	CF	Total	FTE
Personal Services Estimate	0	0	0	0.0
Operating Expenses Estimate	<u>0</u>	<u>0</u>	<u>0</u>	—
Total FY 2011-12 Appropriation	0	0	0	0.0
			<u>0</u>	<u>0.0</u>
Continuation Estimate	0	0	0	0.0
R-3 DWR Line Item Consolidation	<u>18,520,052</u>	<u>641,969</u>	<u>19,162,021</u>	<u>245.1</u>
Total Recommendation			PENDING	245.1

WELL INSPECTION (New Line Item)

The Department submitted Request-6 to consolidate certain line items and re-organize the Division. **Staff recommends that the Committee approve the Department request.**

The new Well Inspection line item will be receive initial funding from the former Personal Services and Operating Expenses line items totaling \$359,990 cash funds (Well Inspection Cash Fund) and 3.0 FTE. **Staff recommendation for the line item is PENDING Committee Action**

on the Base Personal Services Reduction Common Policy. The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation (A) DIVISION OPERATIONS, WATER ADMINISTRATION – (8) Water Resources Division, — Department of Natural Resources				
	General Fund	CF	Total	FTE
Personal Services Estimate	0	0	0	0.0
Operating Expenses Estimate	<u>0</u>	<u>0</u>	<u>0</u>	<u>—</u>
Total FY 2011-12 Appropriation	0	0	0	0.0
			<u>0</u>	<u>0.0</u>
Continuation Estimate	0	0	0	0.0
R-3 DWR Line Item Consolidation	<u>0</u>	<u>359,990</u>	<u>359,990</u>	<u>3.0</u>
Total Recommendation			PENDING	3.0

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 generated through fees from local conservancy districts, water users, user associations, and municipalities, pursuant to Section 37-80-111.5, 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 sties 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.

The Department submitted Request-6 to consolidate certain line items and re-organize the Division. **Staff recommends that the Committee approve the Department request.** Based on the re-organization, the Satellite Monitoring System line item will reside under the (A) Division Operations sub-division. **Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction Common Policy.** The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation – (8) Water Resources Division, (A) DIVISION OPERATIONS, Satellite Monitoring System — Department of Natural Resources				
	General Fund	CF	Total	ETE
Personal Services (estimate)	160,313	0	160,313	2.0
Operating Expense (estimate)	<u>31,059</u>	<u>204,889</u>	<u>235,948</u>	—
FY 2011-12 Appropriation	191,372	204,889	396,261	2.0
Restore S.B. 11-76 PERA	<u>3,596</u>	<u>0</u>	<u>3,596</u>	<u>0.0</u>
Continuation Estimate			PENDING	2.0
Total Recommendation			PENDING	2.0

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.

The Department submitted Request-6 to consolidate certain line items and re-organize the Division. **Staff recommends that the Committee approve the Department request. Based on the re-organization, Augmentation of Water for Sand and Gravel Extraction line item will be eliminated starting with FY 2012-13 and its appropriations will be moved to the new Water Administration line item. The total amount of funds that will be moved is \$44,400 cash funds (Gravel Pit Lakes Augmentation Fund), this represents continuation funding from the previous year.**

(B) SPECIAL PURPOSE (New Sub-division)

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 account within 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.

The Department submitted Request-6 to consolidate certain line items and re-organize the Division. **Staff recommends that the Committee approve the Department request. Based on the re-organization and starting with FY 2012-13, Dam Emergency Repair line item will reside under a new Sub-division titled (B) Special Purpose. The staff recommendation is to continue to reflect the \$50,000 spending authority which is continuously appropriated.**

Federal Grant

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.

The Department submitted Request-6 to consolidate certain line items and re-organize the Division. **Staff recommends that the Committee approve the Department request. Based on the re-organization and starting with FY 2012-13, Federal Grant line item will reside under a new Sub-division titled (A) Division Operations. The staff recommendation is to reflect the \$167,260 in federal spending authority which is continuously appropriated.**

Summary of Recommendation – (8) Water Resources Division Federal Grant — Department of Natural Resources	
	Federal Fund
FY 2011-12 Appropriation	126,042
Increase in Anticipated FEMA Funding	<u>41,218</u>
Continuation Estimate	167,260
Total Recommendation	167,260

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.

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.

The Department submitted Request-6 to consolidate certain line items and re-organize the Division. **Staff recommends that the Committee approve the Department request. Based on the re-organization and starting with FY 2012-13, River Decision Support Systems line item will reside under a new Sub-division titled (A) Division Operations. Staff recommendation for the line item is PENDING Committee Action on the Base Personal Services Reduction**

Common Policy. The table below shows the staff calculation for the items that are not pending.

Summary of Recommendation – (8) Water Resources Division, (A) DIVISION OPERATIONS, River Decision Support Systems — Department of Natural Resources		
	Cash Funds	FTE
Personal Services (estimate)	159,088	2.0
Operating Expense (estimate)	<u>44,018</u>	<u>0.0</u>
FY 2011-12 Appropriation	203,106	2.0
Restore S.B. 11-76 PERA	<u>3,126</u>	<u>0.0</u>
Continuation Estimate	PENDING	2.0
Total Recommendation	PENDING	2.0

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 Engineers 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.

The Department submitted Request-6 to consolidate certain line items and re-organize the Division. **Staff recommends that the Committee approve the Department request. Based on the re-organization and starting with FY 2012-13, H.B. 03-1334 Temporary Interruptible Water Supply Agreements line item will reside under a new Sub-division titled (B) Special Purpose. The staff recommendation is to the Department request for continuation funding totaling \$61,589 (Division of Water Resources Ground Water Management Cash Fund).**

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 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.

The Department submitted Request-6 to consolidate certain line items and re-organize the Division. **Staff recommends that the Committee approve the Department request. Based on**

the re-organization, Well Enforcement line item will be eliminated starting with FY 2012-13 and its appropriation will be moved to the new Water Administration line item. The total amount of funds that will be moved is \$1,489 cash funds (Well Enforcement Cash Fund), this represents continuation funding from the previous year.

Indirect Cost Assessment

Staff recommends the Department's request for \$29,598 for the purpose of indirect cost recoveries. Based on staff recommendation in the EDO, staff recommends a total indirect cost assessment to the Water Resources Division of \$29,598, including \$25,120 cash funds and \$4,478 federal funds. This appropriation will be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. After the JBC's figure setting decisions have been made, JBC staff will work with the Department to determine whether any revisions to the indirect cost plan will be required. If changes in indirect cost recoveries are necessary, staff will present them to the JBC for final approval prior to the introduction of the Long Bill.

Summary of Recommendation – (8) Division of Water Resources, (B) SPECIAL PURPOSE, Indirect Cost Assessment — Department of Natural Resources			
	CF	FF	Total
FY 2011-12 Appropriation	43,947	3,081	47,028
Indirect Cost Adjustment	(18,827)	1,397	(17,430)
Continuation Estimate	25,120	4,478	29,598
Total Recommendation	25,120	4,478	29,598

Expenditure of Water Project Bill Funds

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 2012-13.** Rather, any potential appropriations for CWCB Construction Fund projects will be included in a special bill.

H.B. 11-1274 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.

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION FOR THE DEPARTMENT OF NATURAL RESOURCES

Staff recommends the continuation of three footnotes related to the Division of Parks and Wildlife.

- 46 **Department of Natural Resources, ~~Parks and Outdoor Recreation~~, 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 ~~2013-14~~ FY 2014-15, whichever comes first.
- 47 **Department of Natural Resources, ~~Division of Wildlife~~, 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 ~~2013-14~~ FY 2014-15, whichever comes first.
- 48 **Department of Natural Resources, ~~Division of Wildlife~~, 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 ~~2013-14~~ FY 2014-15, whichever comes first.

Staff recommends that the Committee request that the Division of Parks and Wildlife provide a report on division sources of revenue as well as the expenditures of revenue by funding source for State Parks and Wildlife sub-divisions. This request is similar to last year, however, this year JBC staff is recommending that the Committee expand the request to include a report on Wildlife revenues and expenditures.

1. **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, 2012.

APPENDIX

Letters received from the House Agriculture, Livestock, and Natural Resources Committee and the Senate Agriculture, Natural Resources, and Energy Committee relating to those committees' recommendations for the FY 2012-13 Department of Natural Resources Budget.

State Representative
JERRY SONNENBERG
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Chairman:
Agriculture, Livestock, and
Natural Resources Committee
Vice-Chairman:
Capital Development Committee
Member:
Appropriations Committee
Judiciary Committee

COLORADO
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DENVER
80203

January 26, 2012

Representative Cheri Gerou
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, Colorado 80203

Dear Representative Gerou:

The SMART Act allows a committee of reference to make formal recommendations to the Joint Budget Committee (JBC) regarding state departments' budgets, based on the committee's hearings with their assigned departments. The House Agriculture, Livestock, and Natural Resources Committee met on January 25, 2012, to discuss recommendations to the JBC per the SMART Act. At its meeting, the committee made one recommendation regarding the Department of Natural Resources and made two additional recommendations regarding the Department of Agriculture. The committee also sent a letter to the JBC concerning the Department of Agriculture on January 24, 2011.

The committee voted 8-5 to support the Department of Natural Resources budget with the exception of the request for five additional FTE for the Colorado Oil and Gas Conservation Commission. The committee would like these FTE to be filled with existing FTE vacancies in the department.

Representative Cheri Gerou
January 26, 2012
Page 2

The committee voted 8-5 to recommend that the funding of Inspection and Consumer Services Programs in the Department of Agriculture be funded with 50 percent General Funds and 50 percent cash funds, and that the indirect cost caps be kept in place for the Brand Board.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Sonnenberg", is written over a large, horizontal oval scribble.

Representative Jerry Sonnenberg, Chair
House Agriculture, Livestock, and Natural Resources Committee

- c: Joint Budget Committee Members
- House Agriculture, Livestock, and Natural Resources Committee Members
- John Salazar, Commissioner, Department of Agriculture
- Danny Tomlinson, Legislative Liaison, Department of Agriculture
- Mike King, Executive Director, Department of Natural Resources
- Andy White, Legislative Liaison, Department of Natural Resources
- John Ziegler, Staff Director, Joint Budget Committee
- Lauren Ris, Legislative Council Staff



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Senate
State of Colorado
Denver

COMMITTEES

Agriculture, Natural Resources, and Energy
Chair
Capital Development Committee
Member
Committee on Legal Services
Member
Transportation
Member

January 23, 2012

Representative Cheri Gerou
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, Colorado 80203

Dear Representative Gerou:

The SMART Act allows committees of reference to make formal recommendations to the Joint Budget Committee (JBC) regarding state departments' budgets, based on the committee's hearings with their assigned departments. The Senate Agriculture, Natural Resources, and Energy Committee met on January 19, 2012, to discuss recommendations to the JBC per the SMART Act. The committee did not make any recommendations regarding the Department of Agriculture or the Department of Natural Resources.

Sincerely,

Senator Gail Schwartz, Chair
Senate Agriculture, Natural Resources,
and Energy Committee

c: Joint Budget Committee Members
Senate Agriculture, Natural Resources, and Energy Committee Members
John Salazar, Commissioner, Department of Agriculture
Danny Tomlinson, Legislative Liaison, Department of Agriculture
Mike King, Executive Director, Department of Natural Resources
Andy White, Legislative Liaison, Department of Natural Resources
John Ziegler, Staff Director, Joint Budget Committee
David Beaujon, Legislative Council Staff

