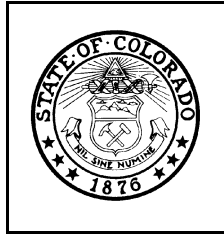


**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2009-10 FIGURE SETTING:  
DEPARTMENT OF NATURAL RESOURCES  
(FOR THE FOLLOWING DIVISIONS:  
EXECUTIVE DIRECTOR'S OFFICE, PARKS  
AND OUTDOOR RECREATION, COLORADO WATER  
CONSERVATION BOARD, WATER RESOURCES  
DIVISION, AND DIVISION OF WILDLIFE)**

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

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February 25, 2009**

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**FY 2009-10 FIGURE SETTING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

**DEPARTMENT OF NATURAL RESOURCES**

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

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FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
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**DEPARTMENT OF NATURAL RESOURCES**  
Executive Director: Harris Sherman

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

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

Personal Services	4,582,375	4,740,550	4,999,832	S 5,340,614	5,328,271	S-2,3; BA-2,3; NP-BA
FTE	<u>52.6</u>	<u>55.4</u>	<u>59.4</u>	<u>59.8</u>	<u>59.8</u>	Mgmt. and Admin. Of
General Fund	0	0	146,650	S 410,405	429,350	OIT
Cash Funds	2,286,842	2,133,854	0	0	0	
Cash Funds Exempt / Reappropriated Funds	2,295,533	2,606,696	4,853,182	S 4,930,209	4,898,921	
Health, Life, and Dental	<u>5,604,779</u>	<u>6,704,124</u>	<u>7,931,687</u>	<u>S 9,268,820</u>	<u>9,173,810</u>	
General Fund	2,027,673	1,614,859	1,797,593	S 2,143,214	1,972,381	
Cash Funds	582,353	1,458,016	5,185,616	S 6,043,226	6,125,183	
Cash Funds Exempt / Reappropriated Funds	2,537,840	3,179,794	292,835	334,176	330,263	
Federal Funds	456,913	451,455	655,643	748,204	745,983	
Short-term Disability	<u>97,433</u>	<u>118,210</u>	<u>129,013</u>	<u>S 127,930</u>	<u>127,930</u>	
General Fund	33,220	25,925	26,620	S 27,270	27,270	
Cash Funds	12,450	28,829	86,584	S 85,268	85,268	
Cash Funds Exempt / Reappropriated Funds	44,489	51,154	5,607	5,459	5,459	
Federal Funds	7,274	12,302	10,202	9,933	9,933	
S.B. 04-257 Amortization Equalization Disbursement	<u>659,938</u>	<u>1,078,513</u>	<u>1,599,625</u>	<u>S 1,968,162</u>	<u>1,723,954</u>	
General Fund	233,748	232,658	327,083	S 412,635	363,562	
Cash Funds	82,632	262,590	1,077,969	1,317,679	1,120,379	
Cash Funds Exempt / Reappropriated Funds	295,277	469,702	69,014	84,363	86,432	

FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
Federal Funds	48,281	113,563	125,559	153,485	153,581	
S.B. 06-235 Supplemental AED	<u>0</u>	<u>214,102</u>	<u>743,897</u>	<u>S 1,230,101</u>	<u>1,073,620</u>	
General Fund	0	41,546	147,392	S 250,615	223,375	
Cash Funds	0	51,042	505,298	829,716	700,237	
Cash Funds Exempt / Reappropriated Funds	0	97,855	32,351	53,123	54,020	
Federal Funds	0	23,659	58,856	96,647	95,988	
Salary Survey and Senior Executive Service	<u>2,350,337</u>	<u>3,052,424</u>	<u>3,372,345</u>	<u>0</u>	<u>0</u>	NP-BA
General Fund	736,064	732,883	624,902	0	0	
Cash Funds	264,665	739,567	2,489,482	0	0	
Cash Funds Exempt / Reappropriated Funds	1,297,067	1,515,021	182,791	0	0	
Federal Funds	52,541	64,953	75,170	0	0	
Performance-based Pay Awards	<u>0</u>	<u>1,297,157</u>	<u>1,428,940</u>	<u>0</u>	<u>0</u>	
General Fund	0	297,912	324,273	0	0	
Cash Funds	0	320,726	997,742	0	0	
Cash Funds Exempt / Reappropriated Funds	0	644,191	66,259	0	0	
Federal Funds	0	34,328	40,666	0	0	
Shift Differential	<u>21,620</u>	<u>12,251</u>	<u>19,373</u>	<u>21,534</u>	<u>9,801</u>	
General Fund	21,620	3,675	5,812	6,460	2,940	
Cash Funds	0	8,576	13,561	15,074	6,861	
Workers' Compensation	<u>1,677,395</u>	<u>935,612</u>	<u>1,193,258</u>	<u>1,195,069</u>	<u>Pending</u>	
General Fund	392,282	119,864	152,872	200,811		
Cash Funds	57,723	177,442	1,039,018	972,667		
Cash Funds Exempt / Reappropriated Funds	1,225,852	636,971	0	17,797		

FY 2009-10 Joint Budget Committee Budget Figure Setting  
 Department of Natural Resources  
 (Executive Director's Office, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
Federal Funds	1,538	1,335	1,368	3,794		
Operating Expenses	<u>1,232,748</u>	<u>1,253,963</u>	<u>1,259,600</u>	S <u>1,251,953</u>	<u>1,249,670</u>	
Cash Funds	288,667	308,730	1,060,977	1,060,977	1,060,977	
Cash Funds Exempt / Reappropriated Funds	938,744	939,896	193,286	S 185,639	183,356	
Federal Funds	5,337	5,337	5,337	5,337	5,337	
Legal Services	2,595,125	2,968,731	3,300,795	S 3,300,795	<u>Pending</u>	
<i>Hours Equivalent</i>	<u>38,293</u>	<u>41,215</u>	<u>43,952</u>	<u>43,952</u>	<u>43,952</u>	
General Fund	942,115	859,540	826,300	S 826,300		S-6
Cash Funds	575,615	815,710	2,388,720	S 2,388,720		
Cash Funds Exempt / Reappropriated Funds	1,060,488	1,266,849	37,600	37,600		
Federal Funds	16,907	26,632	48,175	48,175		
Administrative Law Judge Services - CFE / RF	82	0	0	0	0	
Purchase of Services from Computer Center	<u>593,892</u>	<u>427,670</u>	<u>686,562</u>	<u>686,562</u>	<u>Pending</u>	
General Fund	22,945	5,938	9,533	9,533		
Cash Funds	570,947	421,732	519,710	519,710		
Cash Funds Exempt / Reappropriated Funds	0	0	157,319	157,319		
Multiuse Network Payments	<u>836,283</u>	<u>1,024,275</u>	<u>1,058,888</u>	<u>1,058,888</u>	<u>Pending</u>	
General Fund	351,786	249,305	257,730	257,730		
Cash Funds	466,272	753,665	731,043	731,043		
Cash Funds Exempt / Reappropriated Funds	13,406	15,671	62,113	62,113		
Federal Funds	4,819	5,634	8,002	8,002		
Management and Administration of OIT	<u>0</u>	<u>0</u>	<u>226,424</u>	S <u>237,634</u>	<u>Pending</u>	NP-BA Mgmt. and

FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
General Fund	0	0	47,835 S	50,164		Admin. Of OIT
Cash Funds	0	0	165,212 S	171,985		
Cash Funds Exempt / Reappropriated Funds	0	0	8,417 S	9,948		
Federal Funds	0	0	4,960 S	5,537		
Payment to Risk Management & Property Funds	<u>897,964</u>	<u>806,305</u>	<u>1,168,937</u>	<u>1,168,937</u>	<u>Pending</u>	
General Fund	321,132	144,167	209,005	209,005		
Cash Funds	61,437	203,698	924,260	924,260		
Cash Funds Exempt / Reappropriated Funds	510,762	453,130	27,698	27,698		
Federal Funds	4,633	5,310	7,974	7,974		
Vehicle Lease Payments	<u>2,189,194</u>	<u>2,087,881</u>	<u>2,551,870</u> S	<u>3,123,687</u>	<u>Pending</u>	
General Fund	723,079	326,466	365,018	464,794		NP-3
Cash Funds	104,604	393,556	2,116,719 S	2,597,908		DI-13
Cash Funds Exempt / Reappropriated Funds	1,326,864	1,330,093	0	0		
Federal Funds	34,647	37,766	70,133	60,985		
Information Technology Asset Maintenance	<u>276,529</u>	<u>281,540</u>	<u>282,477</u>	<u>282,477</u>	<u>282,477</u>	
General Fund	105,354	53,746	53,746	53,746	53,746	
Cash Funds	133,944	190,563	125,957	125,957	125,957	
Cash Funds Exempt / Reappropriated Funds	24,995	24,995	90,538	90,538	90,538	
Federal Funds	12,236	12,236	12,236	12,236	12,236	
Leased Space	<u>810,094</u>	<u>928,634</u>	<u>1,252,418</u>	<u>1,310,008</u>	<u>1,277,044</u>	DI-3, DI-4, DI-6, DI-7,
General Fund	478,807	476,295	509,640 S	543,768	543,969	DI-8, DI-11, BA-1
Cash Funds	229,142	344,047	719,490 S	740,700	709,620	
Cash Funds Exempt / Reappropriated Funds	81,659	89,512	0	0	0	
Federal Funds	20,486	18,780	23,288	25,540	23,455	

FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
Capitol Complex Leased Space	<u>754,453</u>	<u>871,159</u>	<u>866,705</u>	<u>866,705</u>	<u>Pending</u>	
General Fund	267,078	244,752	243,501	263,930		DI-3
Cash Funds	294,522	403,721	348,807	328,378		
Cash Funds Exempt / Reappropriated Funds	101,583	117,297	169,706	169,706		
Federal Funds	91,270	105,389	104,691	104,691		
Communications Services Payments	<u>909,642</u>	<u>946,136</u>	<u>988,238</u>	<u>988,238</u>	<u>Pending</u>	
General Fund	375,707	117,234	117,207	117,207		
Cash Funds	533,647	828,603	871,031	871,031		
Cash Funds Exempt / Reappropriated Funds	288	299	0	0		
						<b>Request vs. Appropriation</b>
<b>(1) (A) Administration and Information</b>						
<b>Technology Services</b>	26,089,883	29,749,237	35,060,884	33,428,114	20,246,577	-4.9%
FTE	<u>52.6</u>	<u>55.4</u>	<u>59.4</u>	<u>59.8</u>	<u>59.8</u>	<u>0.4</u>
General Fund	7,032,610	5,546,765	6,192,712	6,247,587	3,616,593	-1.9%
Cash Funds	6,545,462	9,844,667	21,367,196	19,724,299	9,934,482	-7.3%
Cash Funds Exempt / Reappropriated Funds	11,754,929	13,439,126	6,248,716	6,165,688	5,648,989	-1.3%
Federal Funds	756,882	918,679	1,252,260	1,290,540	1,046,513	3.5%
<b>(B) EPA Wetlands Grant - Federal Funds</b>	374,262	0	0	0	0	n/a
						<b>Request vs. Appropriation</b>
<b>(C) H.B. 06-1311 (Species Cons. Trust Fund) - CF</b>	1,771,842	0	0	0	0	n/a

FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	FY 2009-10 Change Requests
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<b>(D) H.B. 07-1182 (Species Cons. Trust Fund) - CF</b>	0	1,212,148	0	0	0	n/a
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<b>(E) S.B. 08-168 (Species Cons. Trust Fund) - CF</b>	0	0	11,163,886	0	0	-100.0%
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						Request vs. Appropriation
<b>(1) EXECUTIVE DIRECTOR'S OFFICE</b>						
<b>- SUBTOTAL</b>	28,235,987	30,961,385	46,224,770	33,428,114	20,246,577	-27.8%
FTE	<u>52.6</u>	<u>55.4</u>	<u>59.4</u>	<u>59.8</u>	<u>59.8</u>	<u>0.4</u>
General Fund	7,032,610	5,546,765	6,192,712	6,247,587	3,616,593	-1.9%
Cash Funds	8,317,304	11,056,815	32,531,082	19,724,299	9,934,482	-39.2%
Cash Funds Exempt / Reappropriated Funds	11,754,929	13,439,126	6,248,716	6,165,688	5,648,989	-1.3%
Federal Funds	1,131,144	918,679	1,252,260	1,290,540	1,046,513	3.5%

**(6) PARKS AND OUTDOOR RECREATION**

<b>(A) State Park Operations</b>	21,830,210	23,184,410	25,489,491	S 26,442,764	26,291,251	NP-1, NP-2
FTE	<u>234.9</u>	<u>248.3</u>	<u>260.7</u>	<u>260.7</u>	<u>260.7</u>	
General Fund	2,723,011	5,466,161	5,614,271	S 5,873,137	3,799,072	
Cash Funds	17,428,296	14,870,622	19,433,372	S 20,124,238	22,046,790	
Cash Funds Exempt / Reappropriated Funds	1,436,395	2,494,124	0	0	0	
Federal Funds	242,508	353,503	441,848	S 445,389	445,389	
<b>Request vs. Appropriation</b>						
<b>(A) State Park Operations - Subtotal</b>	21,830,210	23,184,410	25,489,491	26,442,764	26,291,251	2.4%
FTE	<u>234.9</u>	<u>248.3</u>	<u>260.7</u>	<u>260.7</u>	<u>260.7</u>	<u>0.0</u>



FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
General Fund	2,723,011	5,466,161	5,614,271	5,873,137	3,799,072	1.6%
Cash Funds	17,428,296	14,870,622	19,433,372	20,124,238	22,046,790	2.8%
Cash Funds Exempt / Reappropriated Funds	1,436,395	2,494,124	0	0	0	n/a
Federal Funds	242,508	353,503	441,848	445,389	445,389	0.0%

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

Land and Water Protection - Cash Funds	0	0	709,000	709,000	709,000	
Land and Water Protection - CFE / RF	764,000	651,000	0	0	0	
FTE	2.0	2.0	2.0	2.0	2.0	
Operations and Maintenance - Cash Funds	0	0	1,969,000	1,969,000	1,969,000	
Operations and Maintenance - CFE / RF	231,491	1,806,000	0	0	0	
FTE	7.5	14.5	14.5	14.5	14.5	
Statewide Programs - Cash Funds	0	0	1,657,000	1,657,000	1,657,000	
Statewide Programs - CFE / RF	2,010,879	1,362,037	0	0	0	
FTE	6.5	6.0	6.0	6.0	6.0	

**Request vs.  
Appropriation**

<b>(B) GOCO Board Grants - Subtotal</b>	3,006,370	3,819,037	4,335,000	4,335,000	4,335,000	0.0%
FTE	<u>16.0</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>0.0</u>
Cash Funds	0	0	4,335,000	4,335,000	4,335,000	0.0%
Cash Funds Exempt / Reappropriated Funds	3,006,370	3,819,037	0	0	0	n/a

**(C) Special Purpose**

Snowmobile Program - CF	672,960	997,958	988,671 S	1,007,001	1,007,001	NP-1
FTE	0.0	0.2	1.3	1.3	1.3	

FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
River Outfitters Regulation - CF	67,686	77,001	74,466	74,466	74,466	
Off-Highway Vehicle Program - CF	341,750	336,465	379,124	402,224	402,224	NP-1
FTE	0.0	3.0	3.0	3.0	3.0	
Federal Grants - FF	417,197	506,047	518,516	518,516	518,516	
S.B. 03-290 Enterprise Fund - CF	0	0	200,000	200,000	200,000	
S.B. 03-290 Enterprise Fund - CFE/ RF	244,463	185,189	0	0	0	
System Operations and Support - CF	0	0	735,000	735,000	735,000	
System Operations and Support - CFE / RF	413,093	485,368	0	0	0	
Connectivity at State Parks - CF	0	0	370,000	370,000	370,000	
Connectivity at State Parks - CFE / RF	245,125	123,628	0	0	0	
Asset Management - CF	0	0	300,000	300,000	300,000	
Asset Management - CFE / RF	349,653	407,256	0	0	0	
Voice Over Internet Protocol - CF	0	0	0	0	0	
Voice Over Internet Protocol - CFE / RF	0	224,935	0	0	0	
Law Enforcement Equipment - CF	0	0	126,780	126,780	126,780	
Law Enforcement Equipment - CFE / RF	0	0	0	0	0	
S.B. 08-226 Aquatic Nuisance Species - CF	0	0	3,289,392	2,701,461	2,701,461	
FTE	0	0	7.0	7.0	7.0	

FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
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Indirect Cost Assessment	<u>1,241,685</u>	<u>1,511,433</u>	<u>1,346,673</u>	<u>1,294,669</u>	<u>1,294,669</u>	
Cash Funds	1,134,232	1,318,075	1,283,850	1,222,324	1,222,324	
Federal Funds	107,453	193,358	62,823	72,345	72,345	
						<b>Request vs. Appropriation</b>
<b>(C) Special Purpose - Subtotal</b>	3,993,612	4,855,280	8,328,622	7,730,117	7,730,117	-7.4%
FTE	<u>0.0</u>	<u>3.2</u>	<u>11.3</u>	<u>11.3</u>	<u>11.3</u>	<u>0.0</u>
Cash Funds	2,216,628	2,729,499	7,747,283	7,139,256	7,139,256	-8.0%
Cash Funds Exempt / Reappropriated Funds	1,252,334	1,426,376	0	0	0	n/a
Federal Funds	524,650	699,405	581,339	590,861	590,861	1.6%

						<b>Request vs. Appropriation</b>
<b>(6) PARKS AND OUTDOOR RECREATION</b>						
<b>- SUBTOTAL</b>	28,830,192	31,858,727	38,153,113	38,507,881	38,356,368	0.0%
FTE	<u>250.9</u>	<u>274.0</u>	<u>294.5</u>	<u>294.5</u>	<u>294.5</u>	<u>0.0</u>
General Fund	2,723,011	5,466,161	5,614,271	5,873,137	3,799,072	1.6%
Cash Funds	19,644,924	17,600,121	31,515,655	31,598,494	33,521,046	-0.3%
Cash Funds Exempt / Reappropriated Funds	5,695,099	7,739,537	0	0	0	n/a
Federal Funds	767,158	1,052,908	1,023,187	1,036,250	1,036,250	0.9%

**(7) COLORADO WATER CONSERVATION BOARD**

**(A) Administration**

Personal Services	2,511,934	2,564,748	2,880,293	S 3,180,333	3,028,403	DI-4, DI-6, DI-9,
FTE	27.4	26.8	31.0	34.5	31.0	NP-BA OIT

FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
Operating Expenses	89,890	89,569	99,849 S	122,013	95,804	DI-4, DI-6, DI-11, NP-1, NP-2
Interstate Compacts	289,529	306,406	350,182 S	350,071	349,916	
Western States Water Council Dues	25,000	27,500	27,500	27,500	27,500	
River Decision Support Systems	508,111	510,262	534,728	720,930	551,540	DI-8
FTE	5.0	5.0	5.0	7.0	5.0	
						<b>Request vs. Appropriation</b>
<b>(A) Administration - Subtotal</b>	3,424,464	3,498,485	3,892,552	4,400,847	4,053,163	11.4%
FTE	<u>32.4</u>	<u>31.8</u>	<u>36.0</u>	<u>41.5</u>	<u>36.0</u>	<u>5.5</u>
Cash Funds	339,777	339,777	3,596,525	4,104,820	3,757,136	12.3%
Cash Funds Exempt / Reappropriated Funds	3,084,687	3,158,708	296,027	296,027	296,027	0.0%

**(B) Special Purpose**

Intrastate Water Management and Development - CF <del>(SWSI) Water Supply Management, Development, and Implementation Assistance - CFE<sup>1</sup></del>	0	0	470,679 S	470,464	470,163	
	0	443,646	0	0	0	
Federal Emergency Management Assistance	146,120	81,659	146,120	146,120	146,120	
FTE	<u>2.0</u>	<u>1.9</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds (CWCB)	0	0	13,941	13,941	13,941	
Cash Funds Exempt / Reappropriated Funds (CWCB)	13,941	0	0	0	0	
Federal Funds	132,179	81,659	132,179	132,179	132,179	

FY 2009-10 Joint Budget Committee Budget Figure Setting  
 Department of Natural Resources  
 (Executive Director's Office, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
Weather Modification - CF (Fees)	9,900	11,220	25,000	25,000	25,000	
Water Conservation Program - CF (CWCB)	0	0	246,439 S	274,042	273,830	
Water Conservation Program - CFE / RF (CWCB)	169,877	180,501	0	0	0	
FTE	1.5	2.2	4.0	4.0	4.0	
H.B. 05-1254 (Water Efficiency Grant Program) - CF <sup>2</sup>	0	0	560,369 S	600,029	600,029	
H.B. 05-1254 (Water Efficiency Grant Program) - CFE / RF <sup>2</sup>	285,392	525,127	0	0	0	
FTE	N/A	0.0	1.0	1.0	1.0	
Severance Tax Projects - CF	963,018	1,262,099	1,275,500	1,275,500	1,275,500	
HB 05-1177 (Negotiation of Interbasin Compacts) - CF (Sev Tax)	0	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	0.0	
Interbasin Compacts (HB 06-1400) - CF	547,055	1,057,578	0	1,145,067	1,145,067	
FTE	0.5	1.7	3.7	3.7	3.7	
Platte River Basin Cooperative Agreement						
Cash Funds (CWCB)	0	0	238,166 S	233,418	232,986	
Cash Funds Exempt / Reappropriated Funds (CWCB)	228,726	200,745	0	0	0	
FTE	1.0	1.0	1.0	1.0	1.0	
S.B. 02-87 Colorado Watershed Protection Fund - CF	0	0	119,942	119,942	119,942	
S.B. 02-87 Colorado Watershed Protection Fund - CFE / RF	98,639	70,333	0	0	0	
Indirect Cost Assessment	<u>415,606</u>	<u>450,535</u>	<u>461,627</u>	<u>481,731</u>	<u>481,731</u>	
Cash Funds (CWCB)	0	0	455,380	472,542	472,542	

FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
Cash Funds Exempt / Reappropriated Funds (CWCB)	402,711	446,108	0	0	0	
Federal Funds	12,895	4,427	6,247	9,189	9,189	
Water Construction Fund Bill - CF <sup>3</sup>	0	0	7,721,000	0	0	
Water Construction Fund Bill - CFE / RF	3,981,555	2,575,885	0	0	0	
S.B. 06-193 Study - CF	123,860	0	0	0	0	
						<b>Request vs. Appropriation</b>
<b>(B) Special Purpose - Subtotal</b>	6,969,748	6,859,328	11,264,842	4,771,313	4,770,368	-57.9%
FTE	<u>5.0</u>	<u>6.8</u>	<u>11.7</u>	<u>11.7</u>	<u>11.7</u>	<u>0.0</u>
Cash Funds	1,643,833	2,330,897	11,126,416	4,629,945	4,629,000	-58.6%
Cash Funds Exempt / Reappropriated Funds	5,180,841	4,442,345	0	0	0	n/a
Federal Funds	145,074	86,086	138,426	141,368	141,368	2.1%
						<b>Request vs. Appropriation</b>
<b>(7) COLORADO WATER CONSERVATION BOARD</b>						
<b>- SUBTOTAL</b>	10,394,212	10,357,813	15,157,394	9,172,160	8,823,531	-40.0%
FTE	<u>37.4</u>	<u>38.6</u>	<u>47.7</u>	<u>53.2</u>	<u>47.7</u>	<u>5.5</u>
Cash Funds	1,983,610	2,670,674	14,722,941	8,734,765	8,386,136	-41.2%
Cash Funds Exempt / Reappropriated Funds	8,265,528	7,601,053	296,027	296,027	296,027	0.0%
Federal Funds	145,074	86,086	138,426	141,368	141,368	2.1%

<sup>1</sup> The name of this line item was changed in FY 2008-09 to "Intrastate Water Management and Development".

<sup>2</sup> S.B. 07-008 expanded the Water Efficiency Grant Program and appropriated \$82,749 and 1.0 FTE to the CWCB in FY 08. The Department was appropriated \$600,029 in FY 09 and is requesting a continuation appropriation for FY 2009-10.

<sup>3</sup> Funding for this area is provided through a special bill: the annual water projects bill (H.B 08-1346). Since the amount for the FY 2009-10 bill is not known at this time, the Department's request appears to be lower by the amount of the FY 2008-09 appropriation.

FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
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**(8) WATER RESOURCES DIVISION ("State Engineer's Office")**

Personal Services	17,393,013	17,910,062	18,355,927	S 19,301,538	19,258,671	
FTE	<u>238.2</u>	<u>252.3</u>	<u>263.6</u>	<u>261.4</u>	<u>261.4</u>	BR-1, BA-3, NPBA-
General Fund	17,017,841	17,633,652	17,832,849	S 16,170,913	18,734,243	OIT
Cash Funds (Mostly Gr. Water Management Fee)	357,662	258,879	523,078	3,130,625	524,428	
Cash Funds Exempt / Reappropriated Funds	17,510	17,531	0	0	0	
Operating Expenses	<u>1,506,838</u>	<u>1,606,419</u>	<u>1,456,384</u>	S <u>1,533,951</u>	<u>1,449,856</u>	
General Fund	1,012,903	1,045,631	932,876	S 734,124	1,010,348	BR-1, NP-1, NP-2
Cash Funds	403,511	376,706	523,508	S 799,827	439,508	
Cash Funds Exempt / Reappropriated Funds	90,424	184,082	0	0	0	
Interstate Compacts - General Fund	76,002	75,906	76,002	76,002	76,002	
Republican River Compact Compliance	46,278	46,035	297,736	S 321,012	321,012	
FTE	<u>1.0</u>	<u>1.0</u>	<u>4.7</u>	<u>5.0</u>	<u>5.0</u>	
General Fund	46,278	46,035	203,736	S 321,012	321,012	
Cash Funds - Well Enforcement Cash Fund	0	0	94,000	S 0	0	
Satellite Monitoring System	359,225	360,129	367,942	S 402,599	401,492	
FTE	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
General Fund	244,225	245,129	205,053	S 257,940	256,603	
Cash Funds - Satellite Monitoring System Cash Fund	115,000	115,000	162,889	S 144,659	144,889	DI-12
Augmentation of Water for Sand and Gravel Extraction - CF	36,970	12,651	44,400	44,400	44,400	

FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
Dam Emergency Repair - H.B. 92-1131 - Cash Funds	0	0	50,000	50,000	50,000	
Federal Grants - FF (Mostly FEMA)	120,404	148,943	84,000	94,782	94,782	
River Decision Support Systems - CF	0	0	346,286	391,300	391,300	
River Decision Support Systems - CFE / RF	361,413	366,003	0	0	0	
FTE	3.8	4.0	4.0	4.0	4.0	
H.B. 03-1334 Temporary Interruptible Water Supply Agreements - CF	0	0	61,589	61,589	61,589	
S.B. 04-225 Well Enforcement - CF	0	1,489	1,489	1,489	1,489	
Indirect Cost Assessment	<u>49,500</u>	<u>60,744</u>	<u>56,670</u>	<u>201,602</u>	<u>42,670</u>	
Cash Funds	23,678	33,938	56,062	199,781	40,849	
Cash Funds Exempt / Reappropriated Funds	22,750	24,331	0	0	0	
Federal Funds	3,072	2,475	608	1,821	1,821	
Expenditure of Water Project Bill Funds - CF (CWCB)	0	0	350,000	0	0	
Expenditure of Water Project Bill Funds - CFE / RF (CWCB)	297,429	253,743	0	0	0	
						<b>Request vs. Appropriation</b>
<b>(8) WATER RESOURCES DIVISION - SUBTOTAL</b>	20,247,072	20,842,124	21,548,425	22,480,264	22,193,263	1.7%
FTE	<u>245.0</u>	<u>259.3</u>	<u>274.3</u>	<u>272.4</u>	<u>272.4</u>	(1.9)
General Fund	18,397,249	19,046,353	19,250,516	17,559,991	20,398,208	-11.9%
Cash Funds	936,821	798,663	2,213,301	4,823,670	1,698,452	132.4%
Cash Funds Exempt / Reappropriated Funds	789,526	845,690	0	0	0	n/a
Federal Funds	123,476	151,418	84,608	96,603	96,603	14.2%



FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
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**(9) DIVISION OF WILDLIFE**

**(A) Division Operations**

(1) Director's Office	1,949,930	1,706,473	1,953,750	S 2,058,660	2,002,886	
FTE	<u>16.0</u>	<u>14.8</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	
Cash Funds	0	0	1,833,024	S 1,938,404	1,882,160	NP-1, NP-2
Cash Funds Exempt / Reappropriated Funds	1,821,369	1,566,578	0	0	0	
Federal Funds	128,561	139,895	120,726	120,256	120,726	
 (2) Wildlife Management	 59,439,853	 66,505,722	 63,662,877	 S 66,710,339	 66,679,458	
FTE	<u>532.7</u>	<u>565.7</u>	<u>554.4</u>	<u>554.4</u>	<u>554.4</u>	
Cash Funds	0	0	53,402,061	S 56,444,912	56,414,031	NP-1, NP-2
Cash Funds Exempt / Reappropriated Funds	49,551,488	54,259,742	0	0	0	
Federal Funds	9,888,365	12,245,980	10,260,816	10,265,427	10,265,427	
 (3) Technical Services	 6,176,835	 6,078,066	 6,515,543	 S 6,714,781	 6,710,840	
FTE	<u>55.8</u>	<u>56.2</u>	<u>61.0</u>	<u>61.0</u>	<u>61.0</u>	
Cash Funds	0	0	6,497,553	S 6,699,390	6,695,449	NP-1, NP-2
Cash Funds Exempt / Reappropriated Funds	6,156,141	6,053,227	0	0	0	
Federal Funds	20,694	24,839	17,990	15,391	15,391	
 (4) Information Technology	 2,597,976	 2,811,805	 2,885,190	 S 2,957,658	 2,949,348	
FTE	<u>17.6</u>	<u>16.5</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	
Cash Funds	0	0	2,885,190	S 2,957,658	2,949,348	NP-2
Cash Funds Exempt / Reappropriated Funds	2,597,976	2,811,805	0	0	0	
Federal Funds	0	0	0	0	0	

**Request vs.**

FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	FY 2009-10 Change Requests
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						Appropriation
<b>(A) Division Operations - Subtotal</b>	70,164,594	77,102,066	75,017,360	78,441,438	78,342,532	2.7%
FTE	<u>622.1</u>	<u>653.2</u>	<u>651.4</u>	<u>651.4</u>	<u>651.4</u>	<u>0.0</u>
Cash Funds	0	0	64,617,828	68,040,364	67,940,988	3.1%
Cash Funds Exempt / Reappropriated Funds	60,126,974	64,691,352	0	0	0	n/a
Federal Funds	10,037,620	12,410,714	10,399,532	10,401,074	10,401,544	0.0%

**(B) Special Purpose**

Wildlife Commission Discretionary Fund - CF	0	0	160,000	160,000	160,000	
Wildlife Commission Discretionary Fund - CFE / RF	90,987	160,000	0	0	0	
Game Damage Claims and Prevention - CF	0	0	1,050,000	1,050,000	1,050,000	
Game Damage Claims and Prevention - CFE / RF	849,279	1,050,000	0	0	0	
Instream Flow Program - CF	0	0	296,027	296,027	296,027	
Instream Flow Program - CFE / RF	296,027	296,027	0	0	0	
Habitat Partnership Program - CF	0	0	2,500,000	2,500,000	2,500,000	
Habitat Partnership Program - CFE / RF	2,169,274	2,686,662	0	0	0	
S.B. 08-226 Aquatic Nuisance Species - CF	0	0	3,917,244	1,304,544		
Indirect Cost Assessment - Total Funds	<u>3,126,508</u>	<u>3,215,026</u>	<u>3,413,878</u>	<u>3,281,465</u>	<u>3,281,465</u>	
Cash Funds	0	0	3,413,878	3,281,465	3,281,465	
Cash Funds Exempt / Reappropriated Funds	3,126,508	2,791,872	0	0	0	
Federal Funds	0	423,154	0	0	0	

Request vs.

FY 2009-10 Joint Budget Committee Budget Figure Setting

Department of Natural Resources

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Requests
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						Appropriation
<b>(B) Special Purpose - Subtotal</b>	<u>6,532,075</u>	<u>7,407,715</u>	<u>11,337,149</u>	<u>8,592,036</u>	<u>7,287,492</u>	<u>-24.2%</u>
Cash Funds	0	0	11,337,149	8,592,036	7,287,492	-24.2%
Cash Funds Exempt / Reappropriated Funds	6,532,075	6,984,561	0	0	0	n/a
Federal Funds	0	423,154	0	0	0	n/a

						Request vs. Appropriation
<b>(9) DIVISION OF WILDLIFE - SUBTOTAL</b>	76,696,669	84,509,781	86,354,509	87,033,474	85,630,024	-0.8%
FTE	<u>622.1</u>	<u>653.2</u>	<u>651.4</u>	<u>651.4</u>	<u>651.4</u>	<u>0.0</u>
Cash Funds	0	0	75,954,977	76,632,400	75,228,480	-0.9%
Cash Funds Exempt / Reappropriated Funds	66,659,049	71,675,913	0	0	0	n/a
Federal Funds	10,037,620	12,833,868	10,399,532	10,401,074	10,401,544	0.0%

						Request vs. Appropriation
<b>DEPARTMENT OF NATURAL RESOURCES (EDO, Parks, CWCB, WRD, and DOW)</b>						
TOTAL FUNDS	164,404,132	178,529,830	207,438,211	190,621,893	175,249,763	-9.2%
FTE	<u>1,208.0</u>	<u>1,280.5</u>	<u>1,327.3</u>	<u>1,331.3</u>	<u>1,325.8</u>	<u>4.0</u>
General Fund	28,152,870	30,059,279	31,057,499	29,680,715	27,813,873	-7.5%
Cash Funds	30,882,659	32,126,273	156,937,956	141,513,628	128,768,596	-10.6%
Cash Funds Exempt / Reappropriated Funds	93,164,131	101,301,319	6,544,743	6,461,715	5,945,016	-1.2%
Federal Funds	12,204,472	15,042,959	12,898,013	12,965,835	12,722,278	0.5%

**DEPARTMENT OF NATURAL RESOURCES  
FIGURE SETTING FY 2009-10**

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

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

**(A) Administration and Information Technology**

Employees in this area are responsible for central administration responsibilities within the Department. It is comprised of the following units:

**Administration and Policy Development** - Responsible for program implementation pertaining to various boards, commissions and divisions in the Department; supports the Executive Director and other division personnel in dealings with local, county, and state agencies; and administers pass-through funding.

**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; 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 \$230 million, a capital construction budget of \$48.7 million, and revenues exceeding \$205.7 million (\$188 million cash funds and \$17.4 million federal funds).

**Budget and Financial Services** - Responsible for the formulation and execution of the Department's annual budget process, which includes interactions with division personnel, the Office of State Planning and Budgeting, the Joint Budget Committee, legislative staff, and the members of the General Assembly.

**Information Technology** - 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. In addition, this program provides for the direct delivery of several departmental enterprise-class services such as infrastructure, network, and system applications operations, centralized Internet/Intranet operations and maintenance, project management support, and GIS coordination.

**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 and the Department of Law. The appropriation for many of these line items is determined through common policies approved by the JBC. Because the JBC has not completed figure setting for all common policies, the following line items will be

reflected as "Pending" in this figure setting packet: (1) Workers' Compensation, (2) Administrative Law Judge Services, (3) Purchase of Services from Computer Center, (4) Multiuse Network Payments, (5) Payments to Risk Management and Property Funds, (6) Vehicle Lease Payments, (7) Capitol Complex Leased Space, and (8) 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 with the blended rate approved by the JBC for the Department of Law's Legal Services to State Agencies (LSSA). Because the blended rate for the Department of Law has not been determined, this line item will also be shown as "Pending" in this figure setting packet.

**Fund Mix for Central Appropriations.** In recent years, central appropriations that support the Division of Parks and Outdoor Recreation have been appropriated with 100.0 percent General Fund. During FY 2007-08 figure setting staff recommended and the Committee approved that all central appropriations for the Division of Parks and Outdoor Recreation be made with 30 percent General Fund and 70 percent cash funds from the Parks and Outdoor Recreation Cash Fund. For FY 2007-08 the refinance saved \$2.9 million General Fund. **Staff does not recommend the Committee continue this policy for FY 2009-10, instead staff will calculate funding splits for central appropriations for the Division of Parks and Outdoor Recreation with 19.4 percent General Funds and 80.6 percent cash funds. This staff calculation is based on the Department's FY 2009-10 Indirect Cost Plan which shows that the Department spent 19.4 percent General Fund for personal services in FY 2007-08.**

**Indirect Cost Plan Funding.** An updated indirect cost plan submitted by the Department on January 23, 2009 is shown in the tables below:

Actual Personal Services Expenditures FY 2007-08					
Division	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total
EDO	0	5,696,311	0	0	5,696,311
Division of Reclamation, Mining, and Safety	0	2,889,691	0	3,143,865	6,033,556
Geological Survey	0	2,064,662	618,856	297,925	2,981,443
Oil and Gas Conservation Commission	0	5,484,420	0	89,115	5,573,535
State Board of Land Commissioners	0	2,938,925	0	0	2,938,925
Parks and Outdoor Recreation	5,025,475	20,104,237	0	795,285	25,924,997
Colorado Water Conservation Board	0	7,416,192	0	1,140,913	8,557,105

Actual Personal Services Expenditures FY 2007-08					
Division	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total
Water Resources Division	20,188,583	671,752	0	86,190	20,946,525
Division of Wildlife	<u>0</u>	<u>47,775,839</u>	<u>0</u>	<u>9,641,024</u>	<u>57,416,863</u>
<b>Total</b>	<b>25,214,058</b>	<b>95,042,029</b>	<b>618,856</b>	<b>15,194,317</b>	<b>136,069,260</b>
<i>Total (w/o EDO)</i>	<i>25,214,058</i>	<i>89,345,718</i>	<i>618,856</i>	<i>15,194,317</i>	<i>130,372,949</i>
<i>Percent share (w/o EDO)</i>	<i>19.3%</i>	<i>68.5%</i>	<i>0.5%</i>	<i>11.7%</i>	

\* Numbers may not add due to rounding.

Department of Natural Resources Indirect Cost Pool for FY 2009-10 Request (Based on FY 2007-08 actual expenditures)

Indirect Cost Pool	Amount
<i>Statewide Indirect Cost Pool</i>	<i>1,129,933</i>
<i>Department Indirect Cost Pool</i>	
EDO Personal Services	5,132,890
EDO Operating Expenses	231,957
Workers' Compensation	936
Purchase of Services from Computer Center	105,572
IT Asset Maintenance	90,538
Multiuse Network Payments	62,950
Capitol Complex Leased Space	170,837
Payment to Risk Management and Property Funds	17,026
Legal Services	9,017
Audit Charges	163,586
Equipment Use	<u>224,245</u>
<b>Total Department Indirect Cost Pool</b>	<b><u>6,209,554</u></b>
<b>Total Indirect Cost Pool (Statewide and Department)</b>	<b>7,339,487</b>
No Indirect Costs Collected for 19.3 Percent General Fund	<u>(1,416,521)</u>
<b>Total Recoverable Indirect Costs</b>	<b>5,922,966</b>

\* Numbers may not add due to rounding.

<b>January 23, 2009 Department of Natural Resources Indirect Cost Analysis and Funding Request</b>			
<b><u>Indirect Cost Allocation</u></b>	<b>Departmental</b>	<b>Statewide</b>	<b>Total</b>
EDO - Personal Services	4,210,681	1,129,933	5,340,614
EDO - Other Expenses	<u>1,247,520</u>	<u>0</u>	<u>1,247,520</u>
Total Indirect Cost Allocation	5,458,201	1,129,933	6,588,134
<b><u>Indirect Cost Recoveries</u></b>	<b>From DNR Cash Plan</b>	<b>From Federal Recovery Plan</b>	<b>Total Recovery</b>
Division of Reclamation, Mining, and Safety	162,678	212,657	375,335
Geological Survey	167,844	18,293	186,137
Oil and Gas Conservation Commission	310,119	3,649	313,768
State Board of Land Commissioners	165,450	0	165,450
Parks and Outdoor Recreation	1,222,324	72,345	1,294,669
Colorado Water Conservation Board	472,542	9,189	481,731
Water Resources Division	40,849	1,821	42,670
Division of Wildlife	<u>2,738,713</u>	<u>542,752</u>	<u>3,281,465</u>
Total Indirect Cost Recovery	5,280,519	860,706	6,141,225
<b>Total Indirect Cost Recovery Surplus/(Deficit for General Fund to Cover)</b>			<b>(446,909)</b>

<b>Staff Recommendation for Department of Natural Resources Indirect Cost Plan Funding</b>			
<b><u>Indirect Cost Allocation</u></b>	<b>Departmental</b>	<b>Statewide</b>	<b>Total</b>
EDO - Personal Services	4,198,338	1,129,933	5,328,271
EDO - Other Expenses*	<u>1,242,304</u>	<u>0</u>	<u>1,242,304</u>
Total Indirect Cost Allocation	5,440,642	1,129,933	6,570,575
<b><u>Indirect Cost Recoveries</u></b>	<b>From DNR Cash Plan</b>	<b>From Federal Recovery Plan</b>	<b>Total Recovery</b>
Division of Reclamation, Mining, and Safety	162,678	212,657	375,335
Geological Survey	167,844	18,293	186,137
Oil and Gas Conservation Commission	310,119	3,649	313,768
State Board of Land Commissioners	165,450	0	165,450
Parks and Outdoor Recreation	1,222,324	72,345	1,294,669
Colorado Water Conservation Board	472,542	9,189	481,731
Water Resources Division	40,849	1,821	42,670

<b>Staff Recommendation for Department of Natural Resources Indirect Cost Plan Funding</b>			
Division of Wildlife	<u>2,738,713</u>	<u>542,752</u>	<u>3,281,465</u>
Total Indirect Cost Recovery	5,280,519	860,706	6,141,225
<b>Total Indirect Cost Recovery Surplus/(Deficit for General Fund to Cover)</b>			<b>(429,350)</b>

\* "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) will change.

*Staff recommendation for the indirect cost allocation is based on the table above. Staff notes that many of the line items above funded with indirect costs are still pending, thus, staff will need to adjust the total General Funding based on final Committee action for the line items above. Current staff analysis shows that there are \$429,350 worth of expenses in the EDO that cannot be covered by the indirect cost plan and will need to be covered by the General Fund.*

### Personal Services

<b>Executive Directors Office Staffing Summary</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommendation</b>
Management and Administration	13.0	15.4	15.8	15.8
Accounting	18.8	19.0	19.0	19.0
Human Resources	10.0	10.0	10.0	10.0
Information Technology	<u>13.2</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>
<b>Total</b>	<b>55.0</b>	<b>59.4</b>	<b>59.8</b>	<b>59.8</b>

Staff recommendation for the EDO Personal Services line item is based on Committee common policy including the following adjustments:

- 1). Salary and Performance pay awarded in FY 2008-09;
- 2). Annualization of S.B. 07-228 (Personal Services Contract Monitoring);
- 3). Common Policy Personal Services base reduction;
- 4). Annualization of S-2 Cellular Phone Cost Reduction (cost savings captured in Operating Expenses line);
- 5). Annualization of S-3 reduce Colorado Employment Data System Contract (EDSYS) funding;
- 6). **BA-2 End Department Participation in the Colorado State Fair.** The Department submitted this budget amendment on January 23, 2009. The Department states that it could save \$75,773 (\$19,959 General Fund, \$46,179 cash funds, and \$9,635 federal funds) if it no longer participated in the State Fair. These cost savings would occur throughout the Department and would be based on reducing operating costs (\$56,614), variable costs (\$7,512), per diem costs( \$3,323), and hotel



costs (\$8,324). The Department states that amidst JBC concerns over the cost of the State Fair, DNR eliminated the share charged to the Water Resources Division roughly five years ago.

The Department states that the State Fair leases space to the Department at a reduced cost. If the Department no longer uses the space, the Fair can lease the space to another vendor at a higher rate. The Department of Agriculture has advised that if DNR moved out of the space, the Fair will receive additional revenue from renting out the space more frequently, for more and different events, and at a higher rate. No estimate was provided on the amount of extra revenue the Fair anticipates receiving as a result of DNR moving out of its space. **Staff recommends this department request** (cost savings will be captured in Operating Expenses line);

7). The Department submitted a budget amendment BA-3 on January 23, 2009, to refinance \$3,154,575 General Fund in the Water Resources Division well permit program with cash funds from an increase in fees. As part of this request, the Department proposed refinancing \$158,932 General Fund with cash funds in the EDO. Staff is not recommending the refinance at this time since S.B. 09-216 is still going through the legislative process and has not become law yet;

8). Staff reflects a non-prioritized budget amendment to reflect the move of funding for the payment of the management and administration of the Office of Information Technology within the Governor's Office through a newly created line item "Management and Administration of OIT";

9). Staff notes that a funding mix adjustment to reflect the costs covered by the Department and statewide indirect cost plans is pending the funding of various other line items that are currently pending. Once all line items within the department are set, and the total funding need in the EDO is known, staff will adjust this line to reflect the funding split between indirect costs and General Fund in the EDO.

**Staff recommends total funding of \$5,328,271 and 59.8 FTE for the Personal Services line in the EDO.** Final funding splits for this line item are pending the adjustment of other pending line items throughout the Department.

<b>Summary of Recommendation – Executive Director's Office</b>					
<b>Personal Services — Department of Natural Resources</b>					
	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>Total</b>	<b>FTE</b>
FY 08-09 Appropriation	146,650	0	4,853,182	4,999,832	59.4
Salary Survey Awarded in FY 08-09	0	0	182,791	182,791	0.0
80 % of Performance pay awarded in FY 08-09	0	0	53,007	53,007	0.0
S.B. 07-228 FY 2009-10 Annualization	<u>22,099</u>	<u>0</u>	<u>0</u>	<u>22,099</u>	<u>0.4</u>
<b>Continuation Estimate</b>	<b>168,749</b>	<b>0</b>	<b>5,088,980</b>	<b>5,257,729</b>	<b>59.8</b>
Common Policy Reduction (0.0%)	0	0	0	0	0.0
Add back one-time hiring freeze savings	84,240	0	0	84,240	0.0
S-2 Cellular Phone Cost Reduction	(3,914)	0	3,914	0	0.0
S-3 EDSYS Contract	(7,415)	0	0	(7,415)	0.0
BA-2 End DNR Participation in State Fair	(6,686)	0	6,686	0	0.0
BA-3 Refinance DWR with Cash Funds from Fees	0	0	0	0	0.0
NP-BA Mgmt. and Admin of OIT	0	0	(6,283)	(6,283)	0.0
Fund Mix Adjustment for Indirect Cost Plan	194,376	0	(194,376)	0	0.0

Summary of Recommendation – Executive Director's Office Personal Services — Department of Natural Resources					
	GF	CF	RF	Total	FTE
<b>Total Recommendation</b>	<b>429,350</b>	<b>0</b>	<b>4,898,921</b>	<b>5,328,271</b>	<b>59.8</b>
Potential Adjustment for Change in Indirect Costs	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>0</u>	<u>n/a</u>
<b>Final Recommendation</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>5,328,271</b>	<b>59.8</b>

### **Health, Life, and Dental**

The Department submitted its November 2008 Health, Life, and Dental request based on OSPB common policy for employer contributions at 90 percent of market contributions for health and 85 percent of market contributions for dental insurance. The Department request totals \$9,268,820 (including \$2,143,214 General Fund).

On February 20, 2009, the Department provided staff with an updated HLD run showing a funding need of \$9,173,810 (including \$2,121,488 General Fund). This funding need assumes State Parks General Fund portion of 30 percent.

Staff has used the Department's Indirect Cost Recovery plan to calculate a General Fund share for the Division of Water Resources at 96.4 percent and a General Fund share for State Parks at 19.4 percent.

**Based on the updated information provided by the Department and staff calculation of funding splits, staff recommends the Committee approve \$9,173,810 for Health, Life, and Dental for FY 2009-10 (including \$1,972,381 General Fund, \$6,125,183 cash funds, \$330,263 reappropriated funds, and \$745,983 federal funds). Staff notes that this funding amount is different than what the Joint Budget Committee set during common policy figure setting for Health, Life, and Dental for the Department.**

### **Short-term Disability**

**Staff recommends total funding of \$127,930, which is comprised of \$27,270 General Fund, \$85,268 cash funds, \$5,459 reappropriated funds, and \$9,933 federal funds. Staff notes that this recommendation is for the Department request. Had staff calculated this line using Committee approved common policy, staff would have calculated a total recommendation of \$134,084, including \$28,654 General Fund. Since the Department request is lower than staff calculation, staff recommends the Department request.**

### **S.B. 04-257 Amortization Equalization Distribution**

**Staff recommends total funding of \$1,723,954 pursuant to Committee common policy, which is comprised of \$363,562 General Fund, \$1,120,379 cash funds, \$86,432 reappropriated funds, and \$153,581 federal funds.**

### **S.B. 06-235 Supplemental Amortization Equalization Distribution**

Staff recommends total funding of \$1,073,620 pursuant to Committee common policy, which is comprised of \$223,375 General Fund, \$700,237 cash funds, \$54,020 reappropriated funds, and \$95,988 federal funds.

**Salary Survey and Senior Executive Service**

Staff recommends no funding for salary survey for FY 2009-10 pursuant to Committee common policy.

**Performance-based Pay Awards**

Staff recommends no funding for performance pay for FY 2009-10 pursuant to Committee common policy.

**Shift Differential**

Staff recommends total funding of \$6,118 pursuant to Committee common policy, which is comprised of \$1,830 General Fund and \$4,288 cash funds.

**Workers' Compensation**

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

**Operating Expenses**

Staff recommends an appropriation of \$1,249,000 for this line item (see the following table). Staff notes that the Department submitted a non-prioritized decision item 1 for \$670 reappropriated funds for postage costs increase. This decision item is pending figure setting for the Department of Personnel and Administration. Staff shows the total appropriation amount for the Operating Expenses line item shall the postage decision item be approved.

Summary of Recommendation – Executive Director's Office Operating Expenses — Department of Natural Resources				
	CF	RF	FF	Total
FY 2008-09 Appropriation	1,060,977	193,286	5,337	1,259,600
NP-1 Statewide Postal Increase (Pending)	0	670	0	670
S-2 Cellular Phones Cost Reduction	0	(3,914)	0	(3,914)
BA-2 End DNR Participation in State Fair	0	(6,686)	0	(6,686)
<b>Total Recommendation</b>	<b>1,060,977</b>	<b>183,356</b>	<b>5,337</b>	<b>1,249,670</b>
Potential Adjustment for Change in Indirect Costs	<u>TBD</u>	<u>TBD</u>	<u>0</u>	<u>0</u>
<b>Final Recommendation</b>	<b>TBD</b>	<b>TBD</b>	<b>5,337</b>	<b>1,249,670</b>

**Legal Services**

The staff recommendation of 43,952 hours for this line item is pending the approval of a legal services rate by the Committee. Staff notes that the Department requests continuing to refinance \$50,000 General Funds with cash funds from the Parks and Outdoor Recreation

**Cash Fund for FY 2009-10 pursuant to FY 2008-09 supplemental 6. Staff recommends the Committee approve this Department request for FY 2009-10.**

**Administrative Law Judge Services**

The Department did not have an appropriation for Administrative Law Judge Services in FY 2008-09. Potential staff recommendation for this line is **pending the approval of a common policy by the Committee** related to Administrative Law Judge Services.

**Purchase of Services from Computer Center**

The staff recommendation is **pending the approval of a common policy by the Committee** related to Purchase of Services from Computer Center.

**Multiuse Network Payments**

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 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 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**

This line item funds the lease-purchase and management fees of vehicles primarily utilized by the Division of Parks and Outdoor Recreation, the Water Resources Division, and the Division of Wildlife. For FY 2009-10, the Department of Personnel's State Fleet program is requesting the replacement of 693 vehicles statewide including 202 hybrid vehicles.

***Replacement Vehicles.* Staff recommends replacing 83 of the 101 vehicles requested by the Department, which are projected to have odometer readings exceeding 100,000 miles by March 2010.**

***New Vehicles.* Staff notes that staff does not recommend any new vehicles for the Executive Director's Office, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, or Division of Wildlife. Any recommendations for additional vehicles in the other DNR divisions is pending figure setting for those divisions.**

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

**Information Technology Asset Maintenance**

**Staff recommends the Department's total continuation request of \$282,477**, which is comprised of \$53,746 General Fund, \$125,957 cash funds, \$90,538 reappropriated funds, and \$12,236 federal funds. This line item supports ordinary computer and telecommunications equipment purchases and replacement costs including software maintenance, personal computers, phone-line access charges and other hardware.

**Leased Space**

The Department requests an appropriation of \$1,310,008 for this line item, which is comprised of \$543,768 General Fund, \$740,700 cash funds, and \$25,540 federal funds. This line item pays the Department's various leased space contracts all over Colorado. Staff notes that the table below does not match the Department request submitted by DNR on January 23, 2009, the Department request in the table below does not match the updated department request as the Department had not adjusted its request to reflect the FY 2008-09 adjusted supplemental appropriation for leased space.

The Department request includes several decision items:

<b>Leased Space</b>					
<b>Line Item</b>	<b>Request</b>				
	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>Total</b>
FY 2008-09 Appropriation	509,640	719,490	0	23,288	1,252,418
DI-3 Capitol Complex Leased Space Funding Mix	(8,500)	(19,832)	0	0	(28,332)
DI-4 CWCB Contract Coordinator	0	3,150	0	0	3,150
DI-6 CWCB Colorado River Specialist	0	3,150	0	0	3,150
DI-7 DNR Increased Funding for Leased Space	34,668	1,685	0	167	36,520
DI-8 CWCB Decision Support System Staff and Operating	0	6,300	0	0	6,300
DI-11 CWCB Vehicle Leased Space	0	1,260	0	0	1,260
BA-1 Increased Funding for Leased Space	<u>24,758</u>	<u>17,241</u>	<u>0</u>	<u>0</u>	<u>41,999</u>
<b>Total</b>	<b>560,566</b>	<b>732,444</b>	<b>0</b>	<b>23,455</b>	<b>1,316,465</b>
<b>Total Change</b>	<b>50,926</b>	<b>12,954</b>	<b>0</b>	<b>167</b>	<b>64,047</b>

<b>Department of Natural Resources - Leased Space</b>			
	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	
	<b>Total by Division</b>	<b>Total by Division</b>	<b>Difference</b>
Reclamation, Mining, and Safety	58,105	58,465	360
Geological Survey	12,600	12,600	0
Oil & Gas Commission	332,012	332,012	0
State Land Board	47,247	50,433	3,186
Division of Parks	62,067	33,735	(28,332)
Water Conservation	65,280	79,140	13,860
Water Resources	514,956	574,382	59,426
Wildlife	160,151	175,698	15,547
<b>TOTAL</b>	<b>\$1,252,418</b>	<b>\$1,316,465</b>	<b>\$64,047</b>
General Fund	509,640	560,566	50,926
Cash Funds	719,490	732,444	12,954
Reappropriated Funds	0	0	0
Federal Funds	23,288	23,455	167

- Decision Item 3 - Capitol Complex Leased Space Funding Mix** This decision item seeks authority to reduce the spending authority in the Leased Space line item by \$28,332 (including a reduction of \$8,500 General Fund and \$19,832 cash funds) and increase spending authority in the Capitol Complex Leased Space line by \$20,429 General Fund while reducing \$20,429 in cash funds. The net request is for a reduction of \$28,332 (including an increase in \$11,929 General Fund and a decrease in \$40,261 cash funds).

The Department requests this adjustment because of two anticipated moves: 1). the State Land Board owns land and is currently building office space at 1127 Sherman Street. The Board anticipates moving out of the Capitol Complex Leased Space it currently occupies in the Centennial Building into its new office space. State Parks would like to utilize this vacant space in the Centennial building and bring back seven staff from the Littleton office that were previously moved there due to overcrowding at the Centennial Building. These employees are primarily involved in marketing and graphics, the trails program, and the off-highway vehicle program. In addition, the Parks division plans on relocating five employees currently being stationed in the Chancery building. These employees are involved in retail sales, hydrology, and land purchase. The department states that these positions are administrative and the Division would benefit from having them closer to both management and support staff. In addition, the lease at the Chancery is currently \$17.0 per square foot, versus the current (FY 09) Capitol Complex Leased Space rate of \$12.54 per square

foot. Staff recommends the Department's request, except that staff recommends not increasing the Parks Capitol Complex Leased Space line by \$20,429 General Fund, but only increasing this line by \$8,500 General Fund and paying for the remainder of the increase or \$11,929 with cash funds from the Parks and Outdoor Recreation Cash Fund.

- **Decision Item 4 - CWCB Contract Coordinator.** This request is for 1.0 FTE (General Professional IV) and \$74,011 cash funds from the CWCB Construction Fund to manage an increase in workload and to complete contracts for projects in the Colorado Water Conservation Board. **Staff does not recommend this request be funded, so staff is not including funding for this request in the leased space line.**
- **Decision Item 6 - CWCB Colorado River Specialist.** This request is for 1.0 FTE (Physical Science Researcher/Scientist III) and \$101,825 cash funds from the Operational Account of the Severance Tax Trust Fund to help with an increase in workload that has been brought about by recent drought conditions, concerns about global warming, and the implementation of the 7-State Colorado River Basin States Agreement. **Staff does not recommend this request be funded, so staff is not including funding for this request in the leased space line.**
- **Decision Item 7, Supplemental 1, Budget Amendment 1 - Increased Funding for Leased Space**

First, the Division of Water Resources seeks \$15,491 General Fund in FY 2009-10 to cover inflationary costs associated with leased space. The Division negotiated four renewal leases for FY 2008-09 between April and June 2008. The four leases are as follows:

Office	FY 2008 Cost	FY 2009 Cost	Increase	Percent Change
Craig	\$4,501	\$4,636	\$135	3.0%
Glenwood Springs	53,352	68,515	15,163	28.4%
Pagosa Springs	4,195	4,321	126	3.0%
Silverthorne	<u>2,223</u>	<u>2,290</u>	<u>67</u>	<u>3.0%</u>
Total	\$64,271	\$79,762	\$15,491	24.1%

The Department stated that the reason for the 28.0 percent increase to the Glenwood Springs office lease has to do with a significant increase in commercial real estate prices due to growth in demand driven by oil and gas development. The Department states that it has had historical lease rates that were below the market. This year, the lessor corrected the disparity by raising the the lease cost by %28.0 percent. The Department states that at the time of negotiation there was no other office space available that met DWR's space requirements in Glenwood Springs. Pursuant to Section 37-92-202 (b), C.R.S., states that each division engineer shall reside in his division, and that the offices of the division engineers shall be maintained in the following locations:

Division 1	Greeley
Division 2	Peublo
Division 3	Alamosa
Division 4	Montrose
Division 5	Glenwood Springs
Division 6	Steamboat Springs
Division 7	Durango

**Currently, the Water Resources Division for leased space is \$514,956, the Department anticipated needing \$557,785 leased space funding for FY 2009-10 to account for all lease renewal escalators, this represents \$42,829 in additional General Fund or 8.3 percent. Staff recommends an inflationary increase for DWR of \$42,829 General Fund to address decision item 7 and budget amendment 2.**

Second, the State Land Board requests additional \$2,798 cash funds for FY 2009-10. The Committee already approved supplemental funding for FY 2008-09 in the same amount. The Board is pursuing the design and construction fo an office building in Sterling. Due to delays in planning and construction, the Land Board will not have the office space completed until sometime in December of 2009. The Department is requesting funding to be able to continue to lease space for the remainder of FY 2008-09 as well as for half of FY 2009-10. This allocation is used to lease 423 square feet in Sterling. The Department states that due to smaller than anticipated lease escalators and operating costs on other Land Board leases, the division has been able to cover an additional two months of lease with the money saved. The Department requests funding of \$2,798 (Land Board Trust Administration Fund) in order to remain in the current office for 6 months in FY 2009-10 while a new office is being constructed.

The Department also requests funding of \$388 cash funds to address Pueblo lease increase of 4.0 percent. Staff recommends increased funding of \$3,186 to address these State Land Board funding needs for FY 2009-10.

Third, the Division of Wildlife requests increased funding for inflationary increases. The current allocation to DOW is \$160,151. The Division requests funding of \$165,474. This represents an increase of \$5,323 cash funds or 3.3 percent increase. **Staff recommends funding the DOW at \$165,474 in FY 2009-10.**

Fourth, the Division of Reclamation Mining and Safety expects a \$5/month increase in Grand Junction parking fees for six vehicles. The Division requests an increase in leased space funding of \$360 (\$193 cash funds and \$167 federal funds). **Staff recommends this request.**

- **Decision Item 8 - CWCB Decision Support System Staff and Operating.** This request is for 2.0 FTE (Physical Science Researchers/Scientist III) and \$175,960 cash funds from the



Operational Account of the Severance Tax Trust Fund to help in the operation and maintenance of the Colorado Decision Support System (CDSS) under the Water Information Section. The CDSS has been implemented on the Yampa, Colorado, Gunnison, San Juan, Rio Grande, and South Platte River basins, the Division is asking for additional staff to work on tasks related to updating, maintaining, and using the DCSS tools to provide various analyses for the CWCB. **Staff does not recommend this request be funded, so staff is not including funding for this request in the leased space line.**

- Decision Item 11 - CWCB Vehicle Leased Space** The Department requests transferring funding from the CWCB (A) Administration, Operating Expenses line item to the Leased Space line item so that the CWCB can rent a parking space for one vehicle. During the FY 2008-09 figure setting JBC staff recommended funding for a hydrographer (FY 09 decision item 10) and a vehicle to manage the CWCB stream gaging needs including installation, operation, and maintenance of new CWCB stream gages. However, staff did not recommend funding for costs for a leased parking space at the parking garage located at 14th and Lincoln. The Department is requesting that it be allowed to transfer \$1,260 (\$105 per month) from the CWCB operating line to the leased space line in order to pay for the parking space. **Staff recommends this Department request.**

**Staff recommends an appropriation of \$1,277,044 total funds.** Staff recommendations are listed in the two summary tables above and below.

Leased Space					
Line Item	Staff Recommendation				
	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total
FY 2008-09 Appropriation	509,640	719,490	0	23,288	1,252,418
DI-3 Capitol Complex Leased Space Funding Mix	(8,500)	(19,832)	0	0	(28,332)
DI-4 CWCB Contract Coordinator	0	0	0	0	0
DI-6 CWCB Colorado River Specialist	0	0	0	0	0
DI-7 DNR Increased Funding for Leased Space (addressed in BA-1 below)	0	0	0	0	0
DI-8 CWCB Decision Support System Staff and Operating	0	0	0	0	0
DI-11 CWCB Vehicle Leased Space	0	1,260	0	0	1,260

Leased Space					
Line Item	Staff Recommendation				
	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total
BA-1 Increased Funding for Leased Space	42,829	8,702	0	167	51,698
<b>Total</b>	<b>543,969</b>	<b>709,620</b>	<b>0</b>	<b>23,455</b>	<b>1,277,044</b>
<b>Total Change</b>	<b>34,329</b>	<b>(9,870)</b>	<b>0</b>	<b>167</b>	<b>24,626</b>

Department of Natural Resources - Leased Space			
	FY 2008-09 Appropriation	FY 2009-10 Recommendation	Difference
	Total by Division	Total by Division	
Reclamation, Mining, and Safety	58,105	58,465	360
Geological Survey	12,600	12,600	0
Oil & Gas Commission	332,012	332,012	0
State Land Board	47,247	50,433	3,186
Division of Parks	62,067	33,735	(28,332)
Water Conservation	65,280	66,540	1,260
Water Resources	514,956	557,785	42,829
Wildlife	160,151	165,474	5,323
<b>TOTAL</b>	<b>\$1,252,418</b>	<b>\$1,277,044</b>	<b>\$24,626</b>
General Fund	509,640	543,969	34,329
Cash Funds	719,490	709,620	(9,870)
Reappropriated Funds	0	0	0
Federal Funds	23,288	23,455	167

### **Capitol Complex Leased Space**

Funding splits for this line item are **pending the approval of a Capitol Complex Leased Space rate by the Committee**. The Department's space within the Capitol Complex Facilities for FY 2009-10 is comprised of 69,107 square feet at 1313 Sherman Street as summarized below.

The Department request includes **Decision Item 3 - Capitol Complex Leased Space Funding Mix** request to re-allocate the square feet of the State Land Board to Parks and Outdoor Recreation. Staff recommended this request in the Leased Space line discussion above, staff recommended that State Parks finance the increase in allocate space with \$11,929 cash funds instead of General Fund.

<b>Department of Natural Resources - Capitol Complex Leased Space</b>									
	<b>FY 2008-09 Appropriation</b>			<b>FY 2009-10 Request</b>			<b>FY 2009-10 Recommendation</b>		
	<b>Sq. Ft.</b>	<b>Rate</b>	<b>Total</b>	<b>Sq. Ft.</b>	<b>Rate</b>	<b>Total</b>	<b>Sq. Ft.</b>	<b>Rate</b>	<b>Total</b>
Executive Director	13,552	\$12.54	\$ 169,972	13,552	\$12.54	\$ 169,972	13,552	TBD	TBD
Mining, Reclam., & Safety	13,682	\$12.54	171,602	13,682	\$12.54	171,602	13,682	TBD	TBD
Geological Survey	6,808	\$12.54	85,372	6,808	\$12.54	85,372	6,808	TBD	TBD
State Land Board	5,423	\$12.54	68,004	0	\$12.54	0	5,423	TBD	TBD
Division of Parks	7,212	\$12.54	90,438	12,635	\$12.54	158,442	7,212	TBD	TBD
Water Conservation	5,178	\$12.54	64,932	5,178	\$12.54	64,932	5,178	TBD	TBD
Water Resources	17,252	\$12.54	216,385	17,252	\$12.54	216,385	17,252	TBD	TBD
<b>TOTAL</b>	<b>69,107</b>		<b>\$866,705</b>	<b>69,107</b>		<b>\$866,705</b>	<b>69,107</b>		<b>Pending</b>
General Fund			243,501			263,930			<b>Pending</b>
Cash Funds			348,807			328,378			<b>Pending</b>
Reappropriated Funds			169,706			169,706			<b>Pending</b>
Federal Funds			104,691			104,691			<b>Pending</b>

**Communications Services Payments**

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

**(B) EPA Wetlands Grant**

In FY 2006-07, this line item was included in the Long Bill to reflect the Department's estimate of \$364,605 in federal funds related to this program, which funds a variety of wetlands studies and protection efforts. Funding is received from the U.S. Environmental Protection Agency under the Clean Water Act Section 104 (B) (3) Program, also referred to as the "Wetlands Protection Program". The Department does not estimate receiving federal funds in FY 2009-10 for this purpose. **Staff recommends the request for no funding for this line item in the FY 2009-10 Long Bill.**

**(C) H.B. 06-1311 (Species Conservation Trust Fund) – CFE**

This line item in the JBC staff numbers pages reflects appropriations made pursuant to legislation in the 2006 session. House Bill 06-1311 appropriated funds from the species conservation trust fund for programs submitted by the Executive Director of the Department of Natural Resources that are

designed to conserve native species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species as determined by the United States fish and wildlife service.

For FY 2005-06, the bill transferred \$4.0 million from the Operational Account of the Severance Tax Trust Fund. Of this amount, \$2.0 million was transferred to the capital account of the Species Conservation Trust Fund, and \$2.0 million was transferred to the Operations and Maintenance Account of the Species Conservation Trust Fund.

For fiscal year 2006-07, the bill transferred \$8.8 million from the Operational Account of the Severance Tax Trust Fund. Of this amount, \$4.4 million was transferred to the capital account of the Species Conservation Trust Fund, and \$4.4 million was transferred to the operations and maintenance account of the Species Conservation Trust Fund.

**H.B. 08-168 / S.B. 08-226**

Staff notes that currently, the Capital Account of the Species Conservation Trust Fund is anticipated to receive a transfer from the Operational Account of the Severance Tax Trust Fund on July 1, 2009, seven million dollars. The Operation and Maintenance Account of the Species Conservation Trust Fund is anticipated to receive a transfer from the Operational Account of the Severance Tax Trust Fund on July 1, 2009, of two million dollars.

However, staff projects that the balance in the Operational Account of the Severance Tax Trust Fund will be \$23.9 million less than the expenditures and reserve requirements in FY 2008-09. There will also be a shortfall of \$38.4 million in FY 2010-11 and \$30.2 million in FY 2011-12. These shortfalls will trigger a statutory provision that requires proportional reductions in expenditures by Tier 2 programs to match the projected revenues.

Currently, H.B. 09-1289 (Curry/Isgar) authorizes the obligation and expenditure of \$5.8 million from the Capital Account of the Species Conservation Trust Fund, and \$2.6 million Operation and Maintenance Account of the Species Conservation Trust.

**The Committee does not have to take action on this issue.**

## **(6) PARKS AND OUTDOOR RECREATION**

The Division of Parks and Outdoor Recreation manages 42 established parks and various recreation programs throughout Colorado. Management responsibilities include oversight of park development up through and including ongoing operations for established parks. Costs for the former are reflected in the capital construction budget, while the latter are appropriated through the Department's Long Bill operating budget. Special purpose programs support other recreational activities and resources, including trails, natural areas, boat safety, and the licensing of river outfitters. Historically, cash fee revenues have comprised the bulk of the operating budget for State Park Operations, which includes both costs for new and established parks. Over the last five fiscal years, this ratio has increased significantly. The majority of revenues have typically been provided through the collection of fees deposited into the Parks and Outdoor Recreation Cash Fund. However, this excludes special purpose programs, which are appropriated through separate line items.

***History of General Fund Reductions and Refinancing.*** Prior to FY 2001-02, the general rule-of-thumb was that Division funding was comprised of 30 percent General Fund and 70 percent cash funds. Following four years of General Fund revenue shortfalls, this balance has been reduced to approximately 10 percent General Fund. Despite the decrease in the amount of General Fund, refinancing through cash funds has allowed the Division's overall expenditures to increase. For FY 2007-08, the Committee approved refinancing \$750,000 General Fund with Parks Cash.

***General Fund Reductions.*** Direct and indirect General Fund appropriations provided to the Division of Parks and Outdoor Recreation since FY 2002-03 have fluctuated between \$4.6 million and \$6.2 million. The Parks and Outdoor Recreation Division incurred substantial General Fund reductions during FY 2002-03 supplementals, which were then annualized in the FY 2003-04 Long Bill. As part of an FTE Initiative beginning in FY 2001-02, the Division's operating budget was increased by \$1.2 million cash funds and provided additional FTE slots to increase staffing in State Parks. However, in response to the General Fund revenue shortfall, the Parks and Outdoor Recreation Division was reduced by \$1.2 million General Fund in FY 2002-03 and FY 2003-04 and the additional cash funds generated were used to instead refinance General Fund expenditures. While this change also eliminated 25.9 FTE, no staff lost their jobs because of the way this reduction was managed through staff turnover.

***Fee Setting Authority.*** Before the adoption of H.B. 00-1261 and S.B. 03-290, most of the Division's fees were set in statute, thereby reducing flexibility to generate revenue without legislative approval. House Bill 00-1261 authorized the Parks Board to adjust all fees - with the exception of the Aspen Leaf and Columbine Passes - at a rate commensurate with allowable TABOR increases. Senate Bill 03-290 gave the Parks Board additional flexibility to set fees, with JBC oversight, and also established a \$200,000 revolving "enterprise" fund. This fee setting authority was set to sunset on July 1, 2007. H.B. 07-1316 extended the sunset to July 1, 2012.

***FY 2007-08 Additional Staff for State Parks.*** For FY 2007-08, the Department requested and the JBC approved funding for 24 FTE in order to add staff at 16 state parks based on increased visitation

and to increase service levels. The appropriation also included administrative personnel to assist in the sales of passes at state parks, staff to oversee the development of an automated entrance system at state park facilities, accounting staff, and information technology staff. In addition, the Department had estimated that the 11.5 FTE requested in Decision Item #9 would generate approximately \$1.1 million in net revenue for the Division.

***Increase to Entrance Fee.*** The Colorado State Parks board increased the daily pass fee from \$5 to \$6. This fee increase was implemented between September 2007 and April 2008. The Department had estimated that this increase would generate an estimated increase in revenue of \$650,000 cash funds.

***S.B. 08-13 increased severance tax dollars appropriated to state parks.*** S.B. 08-13 changed the way discretionary moneys from the Operation Account are allocated by the Department's Executive Director. The bill reduced the allowable shares for the Oil and Gas Conservation Commission (from 45 percent to 40 percent) and the Division of Reclamation, Mining and Safety ( from 30 percent to 25 percent), and established allocations of up to 5 percent for the division of Parks and Outdoor Recreation and the Division of Wildlife. While current law caps the share of the account that may be allocated to each of these agencies, in reality, agency appropriations are far below the cap levels.

For FY 2008-09, S.B. 08-13 appropriated \$1.9 million to State Parks, \$1.2 million to cover 33 percent of the operating losses at 17 state parks located in areas impacted by energy development and \$750,000 for a boat ramp at Nighthorse Reservoir. for FY 2009-10, the bill allocates \$1.2 million in ongoing expenses to cover 32 percent of the total operating losses. The bill further states that the funding shall not supplant moneys that would otherwise be made available for such programs.

Based on current projections, staff projects that the balance in the Operational Account of the Severance Tax Trust Fund will be \$23.9 million less than the expenditures and reserve requirements in FY 2008-09. There will also be a shortfall of \$38.4 million in FY 2010-11 and \$30.2 million in FY 2011-12. These shortfalls will trigger a statutory provision that requires proportional reductions in expenditures by Tier 2 programs to match the projected revenues. Based on current statute, Tier 1 programs will not be negatively affected by the projected reduction in severance tax revenues.

#### ***State Auditor Report on Parks Use of Lottery Proceeds***

Two of the Division of Parks and Outdoor Recreation June 2008 Audit Report findings were that Division management does not have complete or accurate information on the condition of its existing assets or its future capital needs, the other finding was that the Division has invested considerable lottery moneys for capital development purposes, and has limited its investment of lottery moneys for park operations.

**Maintenance and renovation.** In the spring of 2007, a list of projects related to health and safety and protection of facilities and resources was compiled by park managers, engineers, landscape architects, project managers, and region managers from each of the Division's three regions. The list identified a total of nearly \$150.7 million in projects related to health and safety and protection of

facilities and resources, including new capital assets and repair or replacement of existing capital assets. This list does not include a list of remaining projects including projects related to improving and building roads and dams, acquiring land, and developing new parks. According to the state audit, because a number of individuals from different parks and regions were involved in compiling the list, additional analysis will be needed to ensure that all projects were identified, and that projects were identified using consistent criteria.

The audit points that without a comprehensive review of the condition and needs of capital assets, the Division cannot plan effectively for the acquisition of new assets or the protection, maintenance, or improvement of current assets. The Division has committed to developing a capital development project five-year plan that will include a comprehensive capital asset program inventory and accurate assessment of the condition of structures and facilities. The Division has committed to implementing such a plan by December 2009.

### **Use of Lottery proceeds.**

Section 1 of Article XXVII states that:

(1) The people of the State of Colorado intend that the net proceeds of every state-supervised lottery game operated under the authority of Article XVIII, Section 2 shall be guaranteed and permanently dedicated to the preservation, protection, enhancement and **management** of the state's wildlife, park, river, trail and open space heritage, except as specifically provided in this article. [Emphasis added.]

Section 24-35-210 (4.1)(c), C.R.S., specifies that the Division may use lottery funding for:

(c) The lottery money available for appropriation to the division of parks and outdoor recreation pursuant to paragraph (b) of this subsection (4.1) shall be appropriated and expended for the acquisition and development of new state parks, new state recreation areas, or new recreational trails, for the expansion of existing state parks, state recreation areas, or recreational trails, or for capital improvements of both new and existing state parks, state recreation areas, or recreational trails. Except as provided in section 33-60-105, C.R.S., in addition to appropriation for the division's capital construction budget, **said lottery money may be appropriated for the division's operating budget for expenditures attributable to the maintenance and operation of state parks**, state recreation areas, or recreational trails, or any portions thereof, that have been acquired or developed with lottery money.

In reviewing the Division's administration and accounting for lottery funds, the audit identified fundamental flaws in its overall financial management and accountability of lottery funding.

In particular, the audit reports that the Division is interpreting the constitution and statutes in an arbitrary and unsubstantiated manner to allow it to cap lottery spending on operating expenses to \$506,000. The auditor reports that the Division spends a significant portion of its lottery funding

for capital construction and improvement projects (79 percent of a total of \$57.3 million received for fiscal years 2003 through 2007) without a corresponding consideration of how lottery funding will be used for the short- and long-term operating costs at these same lottery-funded parks. During the same time period the division only spent 9 percent on operations and maintenance. The table below shows a five year lottery funding revenue to the Division.

	<b>Parks Lottery 10 % Distribution</b>	<b>Lottery Funds Reflected for Operating Expenses in the Long Bill</b>	<b>Percent of Lottery Funds Used on Operating Expenses</b>
FY 2002-03	\$11,094,041	\$505,806	4.6%
FY 2003-04	10,912,949	505,806	4.6%
FY 2004-05	10,879,398	505,806	4.6%
FY 2005-06	12,555,109	505,806	4.0%
FY 2006-07	11,899,545	505,806	4.3%
FY 2007-08	<u>12,230,013</u>	<u>505,806</u>	<u>4.1%</u>
Total	69,571,055	3,034,836	4.4%

The audit concludes that by investing lottery funds primarily in park capital construction and improvement projects and not investing these moneys in operating parks, the Division is obligating other funding sources, in particular General Funds and cash funds from user fees, and thus committing the General Assembly and park users to finance these park operations indefinitely.

The audit further recommends that State Parks discontinue using an unsubstantiated cap of \$505,806 on the amount of lottery funds invested in park operations. The Department has set an implementation date of March 2010 to gather information that will allow State Parks to track current and historical capital investments at each park by fund source.

The audit also recommended that State Parks should ensure that new capital projects have sufficient funding to support ongoing operations in the short- and long-term, including funding from lottery proceeds. One of the primary goals of this methodology should be to mitigate the impact on the General Fund for financing operating costs of lottery-funded projects and parks as well as keeping user fees reasonable.

The Division requested an opinion from the Attorney General's office on interpreting the constitutional and statutory expenditure guidelines on lottery funding. Of particular interest to the Division is Section 8 of Article XXVII which states that:



**No substitution allowed.** The people intend that the allocation of lottery funds required by this article of the constitution be in addition to and not a substitute for funds otherwise appropriated from the General Assembly to the Colorado Department of Natural Resources and its divisions.

The Department has since received a memorandum from the Attorney General's office discussing the complexities of the issue surrounding the State Auditor recommendation that State Parks discontinue using an unsubstantiated cap of \$505,806 on the amount of lottery funds invested in park operations. Parks staff have already agreed to have a draft timeline for a Parks Comprehensive Financial Plan. Among other things, the plan will identify sources and uses of all the agency's principal funding sources (lottery, General Fund, cash fund, federal funds, GOCO) and will set target fund balances for each of the division's funds. Based on the final Comprehensive Financial Plan, the Division has stated that it will prepare an executive branch budget decision item request for the Governor's review that reflects the changes required in the Long Bill to fully and accurately identify the use of lottery funds utilized for parks operations and management.

The memorandum makes several key conclusions. Staff presents a list of selected conclusions that illustrate the tension of the issue:

- 1 Lottery funds in State Parks are not subject to appropriation or control by the General Assembly;
- 2 Section 8 of Article XXVII of the State Constitution states that lottery funds are intended to "be in addition to and not substitute for funds otherwise appropriated from the General Assembly", thus, an outright General Fund reduction and an increase of lottery funds through a letternote designation would create issues under the "no substitution clause";
- 3 The inclusion of a letternote in the Division's Long Bill line item showing lottery funds used in operations for informational purposes is non-binding and State Parks does not have to expend the funds in compliance with the letternote;
- 4 Section 24-35-210 (4.1)(c), C.R.S., does not conflict with the constitution. The memo states that constitutional language should be applied literally using the plain meaning of the language, except when it results in an absurdity. In this case, if the 10 percent lottery funds can only be used for capital construction, then over time, as capital construction activities with lottery funds increase, the burden on non-lottery funds for operations and management activities could become so significant that State Parks could in the foreseeable future not have sufficient non-lottery funds to undertake its other statutory mandates. The memo concludes that allowing the use of lottery funds to also operate and maintain properties acquired and developed with the lottery funds seems a reasonable approach by the General Assembly to avoid the absurdity.

Although this memo illustrates the complexities involved with this issue, staff is not satisfied with the suggestion that the General Assembly cannot take action to correct serious problems within State Parks management, controls, and accounting of public funds detailed in a 140 page audit report.

If for example, the department completes a Comprehensive Financial Plan and determines that the lottery share of operating expenses can be several times higher than the current arbitrary amount of \$505,806, then, according to the legal opinion memo provided to Parks, if the General Assembly reduces the General Fund appropriation for State Parks and increases lottery funding through a letternote in an according amount, the General Assembly would be violating the "no substitution" clause of Article XXVII.

<b>Parks Capital Construction and Controlled Maintenance Appropriations FY 1996 - FY 2009</b>		
10 % Lottery	\$122,517,500	53.1%
GOCO	52,769,500	22.9%
Federal Funds	35,531,000	15.4%
Off Highway Vehicle Recreation Fund	15,581,000	6.8%
HUTF	4,200,000	1.8%
River Outfitters Cash Fund	45,000	<u>0.0%</u>
<b>Total</b>	<b>230,644,000</b>	<b>100.0%</b>

As the table above shows, the 10 percent lottery distribution to Parks has covered approximately 53.1 percent of the State Parks capital budget for the past 14 years. Combined, the 10 percent lottery distribution and GOCO funds have covered approximately 76.0 percent of the State Parks capital budget.

Based on the analysis above, staff concludes that lottery funding available to State Parks is not paying its fair share of the Division's operating expenses. However, since the Division has not practiced sound financial management in the past, as supported by the conclusions of the June 2008 audit report, the Department has not been able to provide an analysis of the appropriate share of operating costs that lottery funds should be providing in the Long Bill.

**Staff recommends the Joint Budget Committee reduce the State Parks General Fund budget by \$1,940,197 in order to help address the current General Fund revenue shortfall. Since the General Assembly cannot appropriate continuously appropriated lottery funds in State Parks, the General Assembly can simply increase the informational letternote in the State Parks Operations line item to reflect that lottery funds can be used to cover State Park Operations expenses in an amount of \$2,446,003 (this number represents 20 percent of FY 2008 lottery 10 percent distribution to State Parks). Staff notes that in increasing the letternote annotation, the General Assembly should be fully aware that it does not have appropriation authority related to the 10 percent lottery distributions and is simply reflecting an amount that State**

**Parks may or may not choose to fund from lottery proceeds in order to fund State Parks Operations.** Since 10 percent lottery proceeds are continuously appropriated and are shown only for informational purposes in the Long Bill, State Parks can choose to spend as much or as little of 10 percent lottery proceeds in its operations line item. **Alternatively, the Joint Budget Committee could choose to not adjust the lottery letternote in the State Parks Operations line item, this will not limit State Parks options in deciding whether to use more lottery funds to support division operating expenses.**

***Staff recommended request for information.*** Staff recommends the Committee request a report by State Parks to be provided no later than September 1, 2009, in which the Department will identify the agency's sources and uses of all the agency's funding sources (including lottery, General Fund, cash funds, federal funds, GOCO, etc.). The Department should also include its analysis and recommendation for a more appropriate funding split between the operating and capital needs. **Staff recommends that the JBC approve the following new request for information.**

**Department of Natural Resources, Parks and Outdoor Recreation** - The division of Parks and Outdoor Recreation is requested to provide the Joint Budget Committee with a report on division sources of revenue as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds used for operations and capital projects. The report is requested to be submitted by September 1, 2009.

***Decision Items.*** The Division of Parks and Outdoor Recreation has requested one prioritized budget amendment 2 for FY 2009-10 to end the Department participation in the Colorado State Fair, staff discussed this budget amendment in the EDO and recommends the Department request.

The Division has several FY 2008-09 supplementals that were approved by the JBC and annualize in FY 2009-10. Staff discussed these supplemental savings during the supplemental presentation and the Committee approved the Department's request.

The Division has two non-prioritized items. A non-prioritized statewide decision item 1 for postal increase, this item is pending figure setting for the Department of Personnel, however, staff is including this item in order to show how the line is built. Staff also assumes whole or partial approval of this decision item. The Division also has a non-prioritized budget amendment for the creation of a line item in the EDO titled "Management and Administration of OIT", this item shows the amount of transfers taken from Parks Operations for this line item.

## State Park Operations

<b>State Park Operations Staffing Summary</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommendation</b>
Management	9.7	10.0	10.0	10.0
Administration	49.8	53.0	53.0	53.0
Accounting and Financial Services	5.3	7.0	7.0	7.0
Information Technology	3.5	5.5	5.5	5.5
Park Managers	125.0	122.7	122.7	122.7
Engineers and Technicians	50.0	54.5	54.5	54.5
Other Professions	<u>5.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>
<b>Total</b>	<b>248.3</b>	<b>260.7</b>	<b>260.7</b>	<b>260.7</b>

**Recommendation.** Staff recommendations regarding the "State Parks Operations" line item are presented in the table below. Staff calculated the personal services items using Committee approved personal services common policies. Staff is recommending replenishment of the FY 2008-09 hiring freeze savings since the Committee did not take a common policy action on hiring freeze related savings for FY 2009-10.:

<b>Summary of Recommendation – Division of Parks &amp; Outdoor Recreation State Park Operations — Department of Natural Resources</b>					
	<b>GF</b>	<b>CF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
Personal Services (Estimate)	5,078,919	12,962,790	0	18,041,709	260.7
Operating Expense (Estimate)	<u>535,352</u>	<u>6,470,582</u>	<u>441,848</u>	<u>7,447,782</u>	—
FY 2007-08 Appropriation	5,614,271	19,433,372	441,848	25,489,491	260.7
Salary Survey Awarded in FY 08-09	177,013	411,601	0	588,614	0.0
80 % of Performance pay for FY 08-09	<u>52,658</u>	<u>122,870</u>	<u>0</u>	<u>175,528</u>	<u>0.0</u>
<b>Continuation Estimate</b>	<b>5,843,942</b>	<b>19,967,843</b>	<b>441,848</b>	<b>26,253,633</b>	<b>260.7</b>
Common Policy Reduction (1.0%)	0	0	0	0	0.0
Annualize S-2 Cellular Phones Cost Reduction	(10,142)	0	0	(10,142)	0.0
Annualize S-4 VoIP	(14,804)	0	0	(14,804)	0.0
Annualize S-7 Field Uniforms and Supplies	(48,000)	0	0	(48,000)	0.0
Annualize S-8 Ruggedized Laptops	(25,000)	0	0	(25,000)	0.0
Annualize S-10 Accounting Temporary Services	(5,000)	0	0	(5,000)	0.0
Annualize S-12 Director's Office Operating and Travel	(15,000)	0	0	(15,000)	0.0
Annualize S-18 Trails Program Operating	(12,000)	0	0	(12,000)	0.0
BA-2 End Department Participation in Colorado State Fair	(9,718)	0	0	(9,718)	0.0
NPSW-BA "Management and Administration of OIT"	(8,578)	(20,016)	0	(28,594)	0.0
NPSW-DI 1 Postal Increase	8,540	27,750	0	36,290	0.0
Replenish FY 2008-09 Hiring Freeze Savings	35,029	131,016	3,541	169,586	0.0
Staff Recommendation to Reduce General Fund in State Parks Operations	(1,940,197)	0	0	(1,940,197)	0.0
Staff Recommendation to Reflect an Increase in Lottery Funding used in State Park Operations	<u>0</u>	<u>1,940,197</u>	<u>0</u>	<u>1,940,197</u>	<u>0.0</u>
<b>Total Recommendation</b>	<b>3,799,072</b>	<b>22,046,790</b>	<b>445,389</b>	<b>26,291,251</b>	<b>260.7</b>

**(B) 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.

**Land and Water Protection**

The Division of Parks and Outdoor Recreation anticipates lottery proceeds of \$709,000 for this line item. Two FTE are utilized to manage these dollars used for park improvements, buffer acquisitions, vegetation management, and the maintenance of geographic information systems (GIS).

### **Operations and Maintenance**

The Division of Parks and Outdoor Recreation anticipates lottery proceeds of \$1,969,000 for this line item. The 14.5 FTE anticipated for FY 2009-10 are utilized to manage these dollars and to work in new park facilities supported by GOCO Board grants.

### **Statewide Programs**

The Division of Parks and Outdoor Recreation anticipates lottery proceeds of \$1,657,000 for this line item. The 6.0 FTE anticipated for FY 2009-10 are utilized to manage funds or to supervise programs related to marketing, volunteers, and the Colorado Youth Corps.

## **(6) PARKS AND OUTDOOR RECREATION**

### **(C) Special Purpose**

These are programs that have a dedicated funding source outside of the Parks and Outdoor Recreation Cash Fund or are related to federal programs that do not directly pertain to the operations of the Colorado park system.

### **Snowmobile Program**

This line item funds the administrative costs for registration, as well as the establishment and maintenance of trails, related facilities, and trail maps. 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.

***Staff Recommendation.*** Staff recommends the Department's request for **\$1,007,001 and 1.3 FTE**. Staff notes that this figure includes an addition to the FY 2008-09 appropriation of \$15,207 cash funds related to the hiring freeze and \$3,123 cash funds related to a statewide non-prioritize decision item 1 related to postal increase costs. This item will be discussed during figure setting for the Department of Personnel, staff is recommending the funding assuming that a part of whole of the request will be funded.

### **River Outfitters Regulation**

**Staff recommends the Department's request for a continuation appropriation of \$74,466 cash funds for this program.** This line item funds the administrative costs of licensing and regulating commercial river outfitters to ensure both industry integrity and the safety of passengers. 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.

### **Off-Highway Vehicle Program**

**Staff recommends \$402,224 cash funds and 3.0 FTE for this program.** This line item funds improvements to motorized recreation areas, as well as the responsible use of off-highway vehicles. 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. Staff notes that this figure includes \$5,388 cash funds related to a statewide non-prioritize decision item 1 related to postal increase costs. This item will be discussed during figure setting for the

Department of Personnel, staff is recommending the funding assuming that a part of whole of the request will be funded.

<b>Summary of Recommendation – (6) Parks &amp; Outdoor Recreation Off-Highway Vehicle Program — Department of Natural Resources</b>		
	<b>Cash Funds</b>	<b>FTE</b>
Personal Services (estimate)	202,148	3.0
Operating Expense (estimate)	<u>176,976</u>	—
FY 2008-09 Appropriation	379,124	3.0
Salary Survey Awarded in FY 2008-09	13,941	—
80 % Performance pay awarded on FY 2008-09	<u>3,771</u>	—
<b>FY 2008-09 Base Appropriation</b>	<b>396,836</b>	<b>3.0</b>
Common Policy Reduction (0.0 percent)	0	—
NPSW-DI 1 Postal Increase	<u>5,388</u>	—
<b>Total Recommendation</b>	<b>402,224</b>	<b>3.0</b>

### **Federal Grants**

**The Department anticipates the receipt of \$518,516 federal funds in FY 2009-10** 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 Board evaluates the proposals and distributes these dollars.

### **S.B. 03-290 Enterprise Fund**

**Staff recommends the Department's continuation request of \$200,000 cash funds (reserves in the Parks and Outdoor Recreation 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 and Outdoor Recreation 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.

### **System Operations and Support**

**Staff recommends the request for State Lottery proceeds of \$735,000 cash funds to be included in the Long Bill informational purposes only.** These dollars support various business systems, such as the automated record keeping system, law enforcement, volunteer administration, and revenue systems.

### **Connectivity at State Parks**

**Staff recommends the request for State Lottery proceeds of \$370,000 cash funds to be included in the Long Bill for informational purposes only.** 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.

#### **Asset Management**

**Staff recommends the request for State Lottery proceeds of \$300,000 cash funds to be included in the Long Bill for informational purposes only.** 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.

#### **Voice Over Internet Protocol**

**During FY 2008-09 figure setting staff recommended the request for elimination in State Lottery proceeds of \$175,000 cash funds for the voice over internet protocol line. The Committee does not need to take action on this line.** These dollars were used by the Division of Parks and Outdoor Recreation to switch its existing phone systems to voice-over internet protocol (VOIP). This is a project that aims to achieve long-term savings as a result of reduced long distance charges and lower maintenance costs. Staff notes that the FY 2007-08 long bill contained Footnote 106, which directed the Division to provide the JBC with a status report on the deployment of the Voice Over Internet Protocol (VOIP) System. The report was due by June 30, 2008. The Department did not submit a report.

#### **Law Enforcement Equipment**

Through a FY 2008-09 Decision Item #18— Law Enforcement Equipment, the Department requested the creation of a new line item titled "Law Enforcement Equipment" within the Special Purpose section of the Division. The Department requested \$126,780 in lottery funds in order to fund state parks ranger equipment. **Staff recommends the Department's request.**

#### **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 Operational Account of the Severance Tax Trust Fund. In FY 2008-09 the bill transferred \$7,206,636, including appropriating \$3,289,392 and 7.0 FTE to Parks. In FY 2009-10, the bill transfers \$4,006,005, including \$2,701,461 to Parks.

This newly created program is a Tier 2 program, staff projects that the balance in the Operational Account of the Severance Tax Trust Fund will be \$23.9 million less than the expenditures and reserve requirements in FY 2009-10. There will also be a shortfall of \$38.4 million in FY 2010-11



and \$30.2 million in FY 2011-12. These shortfalls will trigger a statutory provision that requires proportional reductions in expenditures by Tier 2 programs to match the projected revenues.

**Staff recommends the Committee approve the Department request for \$2,701,461 cash funds (Operational Account) and 7.0 FTE.**

**Indirect Cost Assessment**

**Staff recommends the Department's total request of \$1,249,669 for the purpose of indirect cost recoveries**, which is comprised of \$1,222,324 cash funds and \$72,345 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.

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

The Division's special purpose programs are generally supported by specific cash funds sources mandated or authorized in statute, and/or federal funds. The cost-share is calculated on any remaining costs after other fund sources, such as the Operational Account of the Severance Tax Trust Fund and other cash funds are largely accounted for. Fund splits shown in this document are based on staff recommendation; staff will adjust fund splits accordingly based on Committee action. Special purpose programs in subsection (B) are generally supported by specific cash funds sources mandated or authorized in statute, and/or federal funds.

Pursuant to Section 37-60-119 (2), C.R.S., the Colorado Water Conservation Board (CWCB) is authorized to receive, on a continuously appropriated basis, 1.0 percent of its loans (as origination fees/charges) for "supplemental operational expenditures" (per H.B. 04-1221). Thus, in addition to the Long Bill appropriation, the CWCB received continuous spending authority for its administrative costs of 1.0 percent of its loan origination costs. As such, the CWCB spending is equal to the Long Bill administration appropriation plus the continuous appropriations which occur outside of the Long Bill.

The Colorado Water Conservation Board has submitted the following requests for the JBC's consideration for FY 2009-10:

- **Decision Item - 4 Contract Coordinator.** This request is for 1.0 FTE (General Professional IV) and \$74,011 cash funds from the CWCB Construction Fund to manage an increase in workload and to complete contracts for projects in the Colorado Water Conservation Board.
- **Decision Item - 6 Colorado River Specialist.** This request is for 1.0 FTE (Physical Science Researcher/Scientist III) and \$101,825 cash funds from the Operational Account of the Severance Tax Trust Fund to help with an increase in workload that has been brought about by recent drought conditions, concerns about global warming, and the implementation of the 7-State Colorado River Basin States Agreement.
- **Decision Item - 8 Decision Support System Staff and Operating.** This request is for 2.0 FTE (Physical Science Researchers/Scientist III) and \$175,960 cash funds from the Operational Account of the Severance Tax Trust Fund to help in the operation and

maintenance of the Colorado Decision Support System (CDSS) under the Water Information Section. The CDSS has been implemented on the Yampa, Colorado, Gunnison, San Juan, Rio Grande, and South Platte River basins, the Division is asking for additional staff to work on tasks related to updating, maintaining, and using the DCSS tools to provide various analyses for the CWCB.

- **Decision Item - 9 Legal Protection and Acquisitions Specialist and Legal Assistant.** This request is for 1.5 FTE and no associated funds as the FTE are proposed to be funded from \$1,000,000 continuous appropriation in the CWCB Water Projects Bill (H.B. 08-1346, Section 28) for the costs of acquiring water, water rights, and interests in water for Instream Flow (ISF).
- **Decision Item - 11 Vehicle Leased Space.** This request is for the transfer of \$1,260 cash funds Operating Expenses from the CWCB Construction Fund to the EDO Leased Space line to pay for a parking space for a new state vehicle approved in FY 2008-09. Staff recommended this decision item in the EDO.
- **Budget Amendment - 2 End Department Participation in Colorado State Fair.** Staff recommended this request in the EDO and Parks. Staff is also recommending this request for the CWCB.
- The Department also submitted a request to annualize a FY 2008-09 supplemental - 2 for Cellular Phones Cost Reduction; a non-prioritized decision item - 1 for postal increase; and a non-prioritized budget amendment for the consolidation of the "Management and Administration of OIT" line item in the EDO.

(7) Water Conservation Board Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation
Director / Deputy	1.5	2.0	2.0	2.0
Administration	4.8	5.0	6.0	5.0
Water Supply Protection	7.0	7.0	7.0	7.0
Water Supply Planning and Finance	6.3	7.0	6.0	7.0
Office of Water Conservation	2.2	5.0	5.0	5.0
Flood Protection	4.9	6.0	6.0	6.0
Intrastate Water Mgmt. & Dev.	1.7	3.7	5.7	3.7
Stream and Lake Protection	5.2	7.0	8.5	7.0
Water Information	<u>5.0</u>	<u>5.0</u>	<u>7.0</u>	<u>5.0</u>
<b>Total</b>	<b>38.6</b>	<b>47.7</b>	<b>53.2</b>	<b>47.7</b>

**(A) Administration**

**Personal Services**

The Department requests an appropriation of \$3,180,333 total funds and 34.5 FTE.

<b>Summary of Request – (7) Water Conservation Board Personal Services — Department of Natural Resources</b>		
	<b>Total Funds</b>	<b>FTE</b>
FY 2008-09 Long Bill Appropriation	2,939,094	31.0
Annualize Salary Survey Awarded in FY 2008-09	75,116	—
Annualize Performance Awards in FY 2008-09 at 80 %	32,361	—
<b>Continuation Estimate</b>	<b>3,046,571</b>	<b>31.0</b>
Common Policy Personal Services Reduction (0.0%)	0	—
DI-4 Contract Coordinator	64,683	1.0
DI-6 Colorado River Specialist	78,517	1.0
DI-9 Legal Protection Specialist and Assistant	0	1.5
NP-BA Management and Administration of OIT	(9,438)	0.0
<b>Total Request</b>	<b>3,180,333</b>	<b>34.5</b>

- **Decision Item #4 - Contract Coordinator.** This request is for 1.0 FTE (General Professional IV) and \$74,011 cash funds from the CWCB Construction Fund to manage an increase in workload and to complete contracts for projects in the Colorado Water Conservation Board. The request is made up of \$64,683 of personal services expenses, \$6,178 operating expenses including one-time costs and ongoing costs, and \$3,150 for leased space.

**Department Justification for the Request.** The Department lists the following reasons for the request:

The CWCB states that it has experienced a steady workload increase in the areas of additional funding, purchasing, accounting, and contracting. The Department states that currently, 1.0 FTE (Accountant II) handles all of these duties. The Accountant II is responsible for the operational side of accounting, all purchasing, and grant and non-reimbursable contracts. The duties consist of paying invoices, completing month-end and fiscal year end closing, and helping staff to initiate all contracts and purchase orders for the grant and non-reimbursable programs for the agency.

<b>Workload Measures</b>			
<b>Fiscal Year</b>	<b>Contracts</b>	<b>Purchase Orders</b>	<b>Invoices</b>
FY 2004-05	87	84	1,019

Workload Measures			
FY 2005-06	88	82	1,049
FY 2006-07	106	98	1,066
FY 2007-08	120	139	1,450
FY 05 to FY 08 Change	37.9%	65.5%	42.3%

CWCB states that staff can no longer keep pace with purchasing and contracting requests. The CWCB feels it is necessary to divide the duties and separate out the contracting duties. Thus, the additional FTE would be dedicated to contracting services and allow CWCB staff to begin and complete projects in a timely fashion.

The CWCB states that the FTE will perform the following tasks:

- ensure the scope of work and contracts are properly written;
- implement S.B. 08-228;
- assist in the writing and completion of bidding documents;
- provide a detailed risk review of all contracts;
- complete all pre-review requirements (personal services certification, IT approval, and Section 8-17.5-101, C.R.S., review of documents to prove legal US working status) for contracts;
- ensure that fiscal and procurement rules are followed.

Workload increases have been identified in the following areas:

- Water Supply Reserve Account Grant Program, this is a \$42.0 million grant program which ends June 30, 2011.
- H.B 04-1365 - Water Conservation Plans. This grant program began in FY 2006 and will continue under current legislation through FY 2010. The program provides \$500,000 annually in grant funding to Covered entities, which are water providers that provide 2,000 acre-feet of water or more.
- H.B 05-1254 - Water Efficiency Grant Program. There are two group of applicants that are eligible for monies under the grant program of \$2.5 million: (1) a local entity that has a locally adopted Water Conservation Plan and has defined goals in that plan in accordance with Section 37-60-126, C.R.S.;
- Operational Account of the Severance Tax Trust Fund. The CWCB is allocated up to 5 percent of the Operational Account. For FY 2008-09 the allocation is \$1,275,500.

**Staff does not recommend the Committee fund Decision Item 4.** Given the revenue shortfall that the State is experiencing in this fiscal year and will experience for the foreseeable future, staff is not certain that grants will continue to increase given that funding in the CWCB construction fund will not be stable for the foreseeable future. This is partly compounded by the fact that the fact that the Joint Budget Committee is transferring \$10.3 million out of the CWCB Construction Fund for FY 2008-09 and may need to transfer out additional funds depending on the future state revenue

situation. In addition, staff projects that the balance in the Operational Account of the Severance Tax Trust Fund will be \$23.9 million less than the expenditures and reserve requirements in FY 2008-09. There will also be a shortfall of \$38.4 million in FY 2010-11 and \$30.2 million in FY 2011-12.

- ***Decision Item #6 - Colorado River Specialist.*** This request is for 1.0 FTE (Physical Science Researcher/Scientist III) and \$101,825 cash funds from the Operational Account of the Severance Tax Trust Fund to help with an increase in workload that has been brought about by recent drought conditions, concerns about global warming, and the implementation of the 7-State Colorado River Basin States Agreement. The request is made up of \$78,517 in personal services costs, \$13,980 in travel expenses, \$6,178 in one-time and recurring operating costs, and \$3,150 in leased space costs.

***Department Justification for the Request.*** The Department lists the following reasons for the request:

The CWCB states that the workload associated with the Colorado River has increased significantly as Colorado and the other basin states seek to firm up water supplies with large projects.

The CWCB states that while Board staff has been able to have significant influence in how Colorado issues are addressed to date, a growing workload will not allow Colorado to maintain that advantage without additional man power. Colorado has the right to use 51.75 percent of the water allocated to the Upper Colorado River Basin. Colorado therefore has the most to lose if it cannot maintain a strong presence or leadership position in Colorado River issues. Furthermore, CWCB states that approximately two-thirds of all fo the water in Colorado River originates in Colorado, the other Colorado River basin states have an interest in how Colorado uses its water. Given issues with other Colorado compacts, such as those on the Arkansas and South Platte, the CWCB states that it cannot reallocate current staff without giving up critical man power to address the critical issues on the Colorado River.

**Staff does not recommend the Committee fund Decision Item 6.** Given the revenue shortfall that the State is experiencing in this fiscal year and will experience for the foreseeable future, staff is not certain that grants will continue to increase given that funding in the CWCB construction fund will not be stable for the foreseeable future. This is partly compounded by the fact that the fact that the Joint Budget Committee is transferring \$10.3 million out of the CWCB Construction Fund for FY 2008-09 and may need to transfer out additional funds depending on the future state revenue situation. In addition, staff projects that the balance in the Operational Account of the Severance Tax Trust Fund will be \$23.9 million less than the expenditures and reserve requirements in FY 2008-09. There will also be a shortfall of \$38.4 million in FY 2010-11 and \$30.2 million in FY 2011-12.

- ***Decision Item #9 - Legal Protection and Acquisition Specialist and Legal Assistant.*** This request is for 1.5 FTE and no associated funds as the FTE are proposed to be funded from \$1,000,000 continuous annual appropriation in the CWCB Water Projects Bill (H.B. 08-

1346, Section 28) for the costs of acquiring water, water rights, and interests in water for Instream Flow (ISF).

**Department Justification for the Request.** The Department lists the following reasons for the request:

The Department states that the requested FTE would fulfill a need for additional staff that has resulted from: (1) a steady increase in the number and complexity of water court cases the CWCB participates in to protect its water rights; and (2) an ongoing staff effort to increase the number of water acquisitions for ISF use to achieve protection goals on streams that cannot be met by new appropriations.

**Staff does not recommend the Committee fund Decision Item 9.** Staff does not agree with the funding mechanism the Department proposes using continuously appropriated funds and including FTE with no associated funding source in the Long Bill.

In addition, given the revenue shortfall that the State is experiencing in this fiscal year and will experience for the foreseeable future, staff is not certain that grants will continue to increase given that funding in the CWCB construction fund will not be stable for the foreseeable future. This is partly compounded by the fact that the fact that the Joint Budget Committee is transferring \$10.3 million out of the CWCB Construction Fund for FY 2008-09 and may need to transfer out additional funds depending on the future state revenue situation. In addition, staff projects that the balance in the Operational Account of the Severance Tax Trust Fund will be \$23.9 million less than the expenditures and reserve requirements in FY 2008-09. There will also be a shortfall of \$38.4 million in FY 2010-11 and \$30.2 million in FY 2011-12.

**Staff Recommendation.** Staff recommendation is based on the table below. The recommendation includes \$296,027 in reappropriated funds to be received from the Wildlife Cash Fund. Staff does not recommend the Department requests for FTE to be funded with Operational Account dollars. The remainder of the calculation is based on Committee common policy.

Summary of Recommendation – (7) Water Conservation Board Personal Services — Department of Natural Resources		
	Total Funds	FTE
FY 2008-09 Base Appropriation	2,880,293	31.0
Annualize Salary Survey Awarded in FY 2008-09	75,116	—
Annualize Performance Awards in FY 2008-09 at 80 %	32,361	—
<b>Continuation Estimate</b>	<b>2,987,770</b>	<b>31.0</b>
Common Policy Personal Services Reduction (0.0%)	0	—
Add Back FY 2009 Hiring Freeze Savings	50,071	0.0
DI-4 Contract Coordinator	0	0.0
DI-6 Colorado River Specialist	0	0.0

Summary of Recommendation – (7) Water Conservation Board Personal Services — Department of Natural Resources		
	Total Funds	FTE
DI-9 Legal Protection Specialist and Assistant	0	0.0
NP-BA Management and Administration of OIT	(9,438)	0.0
<b>Total Request</b>	<b>3,028,403</b>	<b>31.0</b>

### Operating Expenses

The Department requests an appropriation of \$122,013 for FY 2009-10 for operating expenses. The request includes funding for two decision items 4 and 6 (staff did not recommend funding these decision items in the Personal Services calculation above), a reduction for decision item 11 for vehicle leased space (staff recommended this decision item in the EDO, Leased Space line discussion), a non-prioritize decision item 2 for postal increase of \$670 (staff is tentatively recommending this decision item pending approval of the Department of Personnel decision item), and annualization of FY 2009 supplemental 2 for cellular phone plans cost reductions.

**Staff recommends the Committee approve \$95,804 cash funds from the Operational Account.**

Summary of Recommendation – (7) Water Conservation Board Operating Expenses — Department of Natural Resources	
	Total Funds
FY 2008-09 Base Appropriation	99,849
NP-1 Postal Increase	670
DI-11 Vehicle Leased Space	(1,260)
Annualize FY 2009 DI-10 Hydrographer and Vehicle	(3,455)
<b>Total Request</b>	<b>95,804</b>

### Interstate Compacts

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.

<u>Division</u>	<u>Area</u>
Colorado Water Conservation Board	Upper Colorado River Arkansas River Colorado River Basin Salinity Control



<u>Division</u>	<u>Area</u>
Division of Water Resources	South Platte River Republican River Rio Grande River Costilla Creek Animas-LaPlata LaPlata River

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

**Staff recommends \$349,916 cash funds which includes a reduction from the base FY 2009 appropriation of \$266 to account for supplemental 2 cellular phones plans cost reductions.**

### **Western States Water Council Dues**

This line item supports 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. **Staff recommends the request for an appropriation of \$27,500 total funds in FY 2009-10.**

<b>Western States Water Council Dues</b>	
	<b>CFE</b>
FY 2008-09 Appropriation	27,500
<b>Total Request / Recommendation</b>	<b>27,500</b>

### **River Decision Support Systems**

The River Decision Support 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 geographic information system data. The FY 2008-10 request is for \$611,120 and 7.0 FTE for this program line. **Staff recommends \$551,540 and 5.0 FTE for this program line in accordance with JBC common policy** (see the following table).

- ***Decision Item #8 - Decision Support System Staff and operating.*** This request is for 2.0 FTE (Physical Science Researchers/Scientist III) and \$175,960 cash funds from the Operational Account of the Severance Tax Trust Fund to help in the operation and maintenance of the Colorado Decision Support System (CDSS) under the Water Information Section. The CDSS has been implemented on the Yampa, Colorado, Gunnison, San Juan, Rio Grande, and South Platte River basins, the Division is asking for additional staff to work on tasks related to updating, maintaining, and using the DCSS tools to provide various analyses for the CWCB. The request is made up of \$157,034 in personal services costs, \$12,356 in operating expenses, and \$6,300 in leased space costs.

CWCB states that various projects that have been and are being completed for the Decision Support System (DSS) have been approved and funded from the CWCB Projects Bill. The CDSS for water resource are a compilation of databases, software created to improve Colorado's water resources planning, development, and administrative capabilities. For each major river basin, the general DSS tools are refined to create basin specific models.

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 CWCB states that this request is the result of (1) maturity of the DSS efforts and the need for more staff to further develop water information tools, (2) an ongoing staff effort to increase modeling and GIS applications and water resources data needs to meet the Statewide Water Supply Initiative (SWSI) goals and the Inter-basin Compact Committee (IBCC) objectives, such as the Colorado River Water Availability Study.

**Staff does not recommend the Committee fund Decision Item 8.** This request is to be funded from the Operational Account. Furthermore, as the CWCB stated in their request, this is an ongoing effort for additional staffing. Staff feels that this request should be postponed given the current revenue situation in the State.

In addition, given the revenue shortfall that the State is experiencing in this fiscal year and will experience for the foreseeable future, staff is not certain that grants will continue to increase given that funding in the CWCB construction fund will not be stable for the foreseeable future. This is partly compounded by the fact that the fact that the Joint Budget Committee is transferring \$10.3 million out of the CWCB Construction Fund for FY 2008-09 and may need to transfer out additional funds depending on the future state revenue situation. In addition, staff projects that the balance in the Operational Account of the Severance Tax Trust Fund will be \$23.9 million less than the expenditures and reserve requirements in FY 2008-09. There will also be a shortfall of \$38.4 million in FY 2010-11 and \$30.2 million in FY 2011-12.

**Staff recommendation for this line item is calculated using Committee common policy and is shown in the table below.**

<b>Summary of Recommendation – (7) Water Conservation Board River Decision Support Systems — Department of Natural Resources</b>		
	<b>Total Funds</b>	<b>FTE</b>
Personal Services Estimate	444,493	5.0
Operating Expense Estimate	90,235	

<b>Summary of Recommendation – (7) Water Conservation Board River Decision Support Systems — Department of Natural Resources</b>		
	<b>Total Funds</b>	<b>FTE</b>
FY 2008-09 Appropriation	534,728	5.0
Annualize Salary Survey Awarded in FY 2008-09	11,585	—
Annualize Performance Awards in FY 2008-09 at 80 %	<u>5,227</u>	—
<b>Continuation Estimate</b>	<b>551,540</b>	<b>5.0</b>
<b>Total Recommendation</b>	<b>551,540</b>	<b>5.0</b>

**(B) Special Purpose**

**(SWSI) Water Supply Management, Development, and Implementation Assistance**

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 Board with funding for an on-going basin by basin analysis associated with the SWSI. 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.

The SWSI preliminary report indicated that there may be substantial water shortages by 2030. The Board formed Technical Roundtables (TRTs) to continue work in a facilitated meeting forum and conduct technical analysis on issues related to water efficiency, prioritizing and quantifying recreational and environmental needs; and addressing the estimated shortage of water supply to meet multiuse needs.

**Staff recommends an appropriation of \$470,163 cash funds (reserves in the Colorado Water Conservation Board Construction Fund) for continuing work on the SWSI project.** The recommendation includes a reduction of \$516 for the annualization of FY 2009 supplemental 2 cellular phones plans reductions. The funding provides contract dollars for engineering and hydrology experts.

**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. The FY 2009-10 request is for \$146,120 total funds and 2.0 FTE. This sum includes \$13,941 cash funds and \$132,179 federal funds. **Staff recommends the request for a continuation appropriation of \$146,120 (including \$13,941 cash funds(reserves in the CWCB Construction Fund and \$132,179 federal funds) and 2.0 FTE for the Federal Emergency Management Assistance line item.**

**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.

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 2009-10 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 by Section 36-20-113, C.R.S.

**Water Conservation Program**

Section 37-60-124, C.R.S. established the Office of Water Conservation 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 assistance pursuant to statute. The request is for \$274,042 cash funds and 4.0 FTE for the Water Conservation Program.

<b>Summary of Recommendation— (7) Water Conservation Board Water Conservation Program — Department of Natural Resources</b>		
	<b>CF</b>	<b>FTE</b>
Personal Services Estimate	211,913	4.0
Operating Expense Estimate	<u>34,526</u>	—
FY 2008-09 Appropriation	246,439	4.0
Annualize Salary Survey Awarded in FY 2008-09	5,299	—
Annualize Performance Pay Awarded in FY 2008-09	<u>2,013</u>	—
<b>Continuation Estimate</b>	<b>253,751</b>	<b>4.0</b>
Annualize FY 2009 DI-2 Drought Planning Staff	(3,455)	0.0
Add back FY 2009 Hiring Freeze Savings	23,897	0.0
Annualize FY 2009 S-2 Cellular Phones Cost Reduction	(363)	0.0
<b>Total Recommendation</b>	<b>273,830</b>	<b>4.0</b>

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

House Bill 05-1254 established a domestic water conservation grant program to provide funding over a three-year period to aid in achieving the water efficiency goals outlined in locally adopted water conservation plans and authorized the Colorado Water Conservation Board to distribute the

grants in FY 2005-06, FY 2006-07, and FY 2007-08 from moneys appropriated originating from the Operational Account of the Severance Tax Trust Fund. Pursuant to the bill's directive, the State Treasurer transferred \$1,580,000 from the reserve of the Operational Account of the Severance Tax Trust Fund to the Water Efficiency Grant Program Cash Fund to provide funding for water conservation grants. In FY 2005-06, the program received an appropriation of \$544,147 cash funds exempt from the Water Efficiency Grant Program Cash Fund. In FY 2006-07, the program received an appropriation of \$517,280 cash funds exempt from the Water Efficiency Grant Program Cash Fund.

In FY 2007-08, the program received an appropriation of \$517,280 cash funds exempt from the Water Efficiency Grant Program Cash Fund through the Long Bill. In FY 2007-08, S.B. 07-8 made changes to the Water Efficiency Grant Program and appropriated an additional \$82,749 and 1.0 FTE for allocation to the Colorado Water Conservation Board from the Water Efficiency Grant Program cash fund. The fiscal note analysis and JBC staff analysis was that the bill does not require an FTE appropriation. The Department's initial fiscal analysis of the bill also concluded that an FTE appropriation is not required. Only after an FTE was added in the House Agriculture, Livestock, and Natural Resources Committee, did the Department change their fiscal analysis of the bill and stated that they do need additional FTE resources.

S.B. 07-8/H.B. 08-1398 made changes to the Water Efficiency Grant Program. Prior to passage of these bills, program participation was restricted to "covered entities", defined in statute as a municipality, agency, or utility with a legal obligation to provide retail water to a customer base with a total demand of at least two thousand acre-feet. S.B. 07-8 changed statute to allow any state or local governmental entity that provides water at retail to customers to participate in the Water Efficiency Grant Program. The bill broadens the eligible uses of water efficiency grant monies to include water conservation planning activities. The bill also extended the repeal of the program to July 1, 2012.

At the beginning of FY 2007-08 and FY 2008-09, the bills transfer \$800,000 from the operational account of the Severance Tax Trust Fund to the Water Efficiency Grant Program Cash Fund for funding of grants. If on July 1, 2008, and again on July 1, 2009, there is more than \$100,000 of unobligated revenues in the operational account, the bill transfers such revenues, up to an additional \$1.0 million, to the Water Efficiency Grant Program Cash Fund.

S.B 07-8 also extended for three years the annual appropriation from the Water Efficiency Grant Program Cash Fund of up to \$500,000 to provide grants. It also appropriated an additional \$50,000 annually from this fund, from FY 2008-09 through FY 2011-12, to cover the administrative costs of the program (Section 37-60-126 (12) (a), C.R.S.).

***Staff projects that the balance in the Operational Account of the Severance Tax Trust Fund will be \$23.9 million less than the expenditures and reserve requirements in FY 2008-09. There will also be a shortfall of \$38.4 million in FY 2010-11 and \$30.2 million in FY 2011-12. These***

*shortfalls will trigger a statutory provision that requires proportional reductions in expenditures by Tier 2 programs to match the projected revenues.*

**For FY 2008-09, the Department was provided an initial appropriation of \$600,029 and 1.0 FTE. The department requests continuation funding for this line item. Staff recommends the Department's request.**

### **Severance Tax Projects**

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. Projects are approved by the Board, recommended by the Department, and reviewed by the Minerals, Energy, and Geology (MEGA) Board.

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).

In FY 2007-08, through a decision item #12, the Department requested an increase to this line to a total appropriation of \$1.6 million. Due to Operational Account shortage of funds, staff recommended funding of \$1,275,500 to fund only the high priority projects.

Given the shortage of funds from the Operational Account, **staff recommends that the JBC flag this line item in the event that reductions are required.**

*Staff projects that the balance in the Operational Account of the Severance Tax Trust Fund will be \$23.9 million less than the expenditures and reserve requirements in FY 2008-09. There will also be a shortfall of \$38.4 million in FY 2010-11 and \$30.2 million in FY 2011-12. These shortfalls will trigger a statutory provision that requires proportional reductions in expenditures by Tier 2 programs to match the projected revenues.*

**Recommendation.** Staff recommends an appropriation of \$1,275,500 cash funds from the Operational Account of the Severance Tax Trust Fund for this line item. The staff recommendation is the same as the Department request. These moneys are provided to grant applicants and funds water related projects at the local level. They are grant based and dependent upon submissions from local programs.

### **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 will consist 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 specifies 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.

For FY 2007-08, staff recommended that this line be transferred to a new line item entitled "Interbasin Compacts". Thus, **the Committee does not need to take action on this line.**

#### **Interbasin Compacts (H.B. 06-1400)**

House Bill 06-1400 approved the interbasin compact charter, pursuant to the provisions of H.B. 05-1177. The bill required the Revisor of Statutes to publish the full text of the charter in the Colorado Revised Statutes as non-statutory matter. The bill also moved water districts 60, 61 and 63 from the Gunnison basin roundtable to the Dolores, San Miguel, and San Juan basins roundtable.

The bill also created the Office of Compact Negotiations within the Governor's Office, and specified that money's from the Severance Tax Trust Fund may be used to fund the activities of the interbasin roundtables. The bill specified that moneys appropriated for such purposes do not count against the required two-year statutory reserve for the fund. In FY 2007-08, this line item merged the provisions of HB 05-1177 and HB 06-1400 into one line and appropriated \$1,108,425 (Operational Account of the Severance Tax Trust Fund) and 1.7 FTE.

For the FY 2008-09 budget, the Department submitted a request for 2.0 FTE additional staff and funding. The FY 2008-09 appropriation was set at 3.7 FTE and \$1,113,995 cash funds from the Operational Account.

**H.B. 08-1398** created the Interbasin Compact Committee Operation Fund (Section 37-75-107, C.R.S.) and continuously appropriated funds transferred to the Fund from the Operational Account.

Section 39-29-109.3 (2)(i), C.R.S., currently transfers \$1,145,067 starting on July 1, 2008, and for each state fiscal year after thereafter. The combined effect of these two changes stripped the line from its appropriation.

The Department states that it still needs the 3.7 FTE in order to implement this program. The Department requests that the 3.7 FTE be left in the line and the \$1,145,067 be listed with a letternote. **Staff recommends the Department's request for 3.7 FTE and \$1,145,067 cash funds. Staff further recommends the inclusion of a letternote stating: "This amount shall be from the Interbasin Compact Committee Operation Fund created in Section 37-75-107, C.R.S., is shown for informational purposes, and is continuously appropriated."**

### **Platte River Basin Cooperative Agreement**

Colorado became a participant in The Platte River Basin Endangered Species Cooperative in 1997. The Cooperative Agreement is a three-year agreement signed by the governors of Wyoming, Colorado, and Nebraska and by the Secretary of the Interior to address the protection and restoration of various endangered species habitats along the North Platte River. The appropriation supports 1.0 FTE and contractual personal services for ongoing administration of the program and Colorado's portion of contract technical support. **Staff recommends funding \$232,986 cash funds (Fish and Wildlife Resources Fund) and 1.0 FTE, this amount was adjusted for salary increases, a FY 2009 supplemental 2 to reduce cellular phones costs, and a budget amendment 2 to end the Department participation in the Colorado State Fair.**

### **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 Watershed Protection Fund in Section 39-22-2403 (1), C.R.S.).**

### **Indirect Cost Assessment**

The Department requests an appropriation of \$481,731 for indirect cost assessments. The amount collected from this line item will be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. **Staff recommends approval of the request for an appropriation of \$481,731.** 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.

### **Water Construction Fund Bill**

This line item is shown in the JBC staff numbers pages for informational purposes only.

### **S.B. 06-193 Study**

Senate Bill 06-193 required the Colorado Water Conservation Board (CWCB) to conduct a study of underground water storage sites in the South Platte and Arkansas River basins. The bill authorized the Board to consult with the Interbasin Compact Committee, the State Engineer, and the State Geologist. The bill required the Board to submit a report to the General Assembly by March 1, 2007. The bill appropriated \$125,000 cash to the Colorado Conservation Board to implement the bill in FY 2007-08. This was intended to be a one-time appropriation. As such, **no funds were requested nor is an appropriation recommended for FY 2009-10.**



## **(8) WATER RESOURCES DIVISION**

This division, also called the Office of the State Engineer, is primarily responsible for administration of water resources, which includes the following functions:

- This includes 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 has historically been funded primarily from the General Fund. This funding was consistent with the nature of the functions performed by the Division which benefit all of Colorado not just specific groups or industries, like other cash funded, fee-based programs. The Water Resources Division receives approximately 77 percent of the Department's total General Fund appropriation. The majority of the Division's General Fund appropriation is attributable to personal services costs.

The Water Resources Division has requested several decision items/budget amendments for FY 2009-10. These initiatives include:

- **Base Reduction - 1 Online Water Information.** This request aims to make all Division of Water Resources' water records information available to the public via the internet. The transition to providing all information via the internet means that the DWR will lose cash funds revenue as a result of this base reduction item. The DWR proposes reducing \$84,000 General Fund and 2.0 FTE in the Personal Services line and increasing the General Fund appropriation to the Operating Expenses line and reducing the cash fund appropriation by a like amount;
- **Budget Amendment - 3 Refinance Water Resources with Cash Funds Obtained Through Fee Increases.** This budget amendment was approved by the Committee. S.B. 09-216 implements the Committee's decision to increase certain DWR fees.
- **Decision Item - 12 Satellite Monitoring System.** The Water Resources Division is requesting increased spending authority of \$30,000 cash funds for FY 2009-10 from the

Satellite Monitoring System Cash Fund to meet increasing operational expenses due to necessary expansion of the system.

- In addition, the Water Resources Division has included impacts of several previously discussed requests. These are: non-prioritized budget amendment for the consolidation of the OIT; non-prioritized request 1 for postal increase; annualize previously approved supplemental 2 for cellular phone plan reductions; and a budget amendment 2 to end the Department participation in the State Fair.

**Personal Services**

<b>Division of Water Resources Staffing Summary</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommendation</b>
State Engineer, Deputy, Assistants	4.0	4.0	4.0	4.0
Administration (accounting, info. tech., public information, budgeting, records)	25.0	29.0	27.0	27.0
Water Division Staff	184.3	187.4	187.4	187.4
Engineering, Technology, Investigations	19.0	21.0	21.0	21.0
Water Supply, Compacts, Ground Water	<u>27.0</u>	<u>32.9</u>	<u>32.9</u>	<u>32.9</u>
<b>Total</b>	<b>259.3</b>	<b>274.3</b>	<b>272.3</b>	<b>272.3</b>

- ❑ ***Base Reduction 1 - Online Water Information.*** This request aims to make all Division of Water Resources' water records information available to the public via the internet. The transition to providing all information via the internet means that the DWR will lose cash funds revenue as a result of this base reduction item. The DWR proposes reducing \$84,000 General Fund and 2.0 FTE in the Personal Services line and increasing the General Fund appropriation to the Operating Expenses line and reducing the cash fund (Water Data Bank Fund) appropriation by a like amount.

***Department Justification for the Request.*** The Department lists the following reasons for the request:

This request aims to make all Division of Water Resources' water records information available to the public via the internet. The transition to providing all information via the internet means that the DWR will lose cash funds revenue as a result of this base reduction item.

The State Engineer's office is the only archive for water rights and well permits in the State of Colorado. Many of the records held by the division date back to the 1800's.

The DWR records division provides a variety of records to the public, many of which are available to view free online.

In May of 2008, the DWR states that it had 400,000 data requests on the web for Satellite Monitoring System data and over 10,000 visits to other online tools.

On average, employees who typically deal with the public assist approximately 220 visitors per month in person and receive and process approximately 45,500 pieces of mail. The Department estimates that providing water records online negates the need for two FTE who typically work with the public in person.

Currently, there are 32 employees in the Division who provide water information to the public (eight are located in the Denver office). The Department states that providing all information online will enhance the service provided to the public.

The Department states that the majority of the data has already been scanned as part of a three-year imaging project finalized in FY 2004-05. The majority of the data is currently available through a database located at the Denver office. The Department anticipates the transition to the Internet to occur within existing resources. The database will simply be made public online without any passwords. The Division believes there are sufficient licenses available to make the images available to the public. The request to backfill \$80,000 lost cash funds revenue with General Fund is to pay for operating expenses that will still be incurred to collect, analyze, and record water information so that it can later be provided to the public.

For FY 2007-08, the Division received \$104,424 in revenue from the sale of data and information. The Division projects that if the request is funded, there will be approximately 80 percent loss of revenue (the Division did not provide detail on the assumptions used). The Division projects that approximately 20 percent of customers will continue to request in-person services, thus, 20 percent of revenue will remain. The Department calculates the amount for the FTE reversion based on a Technician II and Technician III positions.

<b>Position</b>	<b>Cost Savings</b>
Technician II	2,903
Technician III	<u>3,377</u>
Total Salaries	6,280
PERA and Medicare	<u>728</u>
Total	7,008
<b>Times 12 months</b>	<b>84,102</b>

Staff believes that publishing water data online is a good public services. Since this is a net neutral General Fund request, staff recommends the Committee approve the Department's request.

☐ **Budget Amendment 3 - Refinance Water Resources with Cash Funds Obtained Through Fee Increases.** The Committee is sponsoring S.B. 09-216 to implement the Water Resources Division request. Beginning March 1, 2009, certain fees collected by the Division of Water Resources in the Department of Natural Resources will be increased. The appropriations to the division are decreased by \$500,000 and modified so that a portion of personal services, operating, and indirect costs now financed with General Fund will be funded with cash funds.

Cash funds revenue from fees is estimated at \$831,243 for FY 2008-09 and \$2,493,730 for both FY 2009-10 and FY 2010-11. The fees are directed to the Groundwater Management Cash Fund (97%) and the Well Inspection Cash Fund (3%). The fee increases are for well permitting applications, substitute water supply plan applications, and dam design review. Generally, applications for new well permits will increase from \$100 to \$665 and for substitute water supply plans from \$300 to \$2,000. Dam design review fees which are currently capped at \$3,000 will be calculated on a sliding fee schedule based on the size of the project. A listing of current and prospective fees is available in the Legislative Council Office. It should be noted that the revenue projections for FY 2008-09 may not be met due to a decline in well permit applications.

**Staff is not reflecting the changes from S.B. 09-216 in the staff figure setting packet as this bill is currently going through the legislative process and has not become law.**

**Staff recommendation.** Staff recommendation for the personal services line for the Division of Water Resources is calculated in the table below.

<b>Summary of Recommendation – (8) Water Resources Division Personal Services — Department of Natural Resources</b>				
	<b>General Fund</b>	<b>CF</b>	<b>Total</b>	<b>FTE</b>
FY 2008-09 Appropriation	17,832,849	523,078	18,355,927	263.6
Annualize Salary Survey Awarded in FY 2008-09	442,684	0	442,684	0.0
Annualize Performance Pay Awarded in FY 2008-09	204,405	1,350	205,755	0.0
<b>Continuation Estimate</b>	<b>18,479,938</b>	<b>524,428</b>	<b>19,004,366</b>	<b>263.6</b>
Personal Services Base Reduction (0.0%)	0	0	0	0.0
Add Back FY 2009 Hiring Freeze	374,590	0	374,590	0.0
Annualize FY 09 DI-4 Republican River Compact Compliance	(13,182)	0	(13,182)	(0.2)
NP-BA Management and Administration of OIT	(23,103)	0	(23,103)	0.0
BR-1 Online Water Information	<u>(84,000)</u>	<u>0</u>	<u>(84,000)</u>	<u>(2.0)</u>
<b>Total Recommendation</b>	<b>18,734,243</b>	<b>524,428</b>	<b>19,258,671</b>	<b>261.4</b>

### Operating Expenses

This line item is largely supported with General Fund, but also contains cash funds, from the Water Data Bank Cash Fund, the Publication Cash Fund, and the Groundwater Publication Cash Fund.

- ☐ **Base Reduction 1 - Online Water Information.** This request aims to make all Division of Water Resources' water records information available to the public via the internet. The transition to providing all information via the internet means that the DWR will lose cash funds revenue as a result of this base reduction item. The DWR proposes reducing \$84,000 General Fund and 2.0 FTE in the Personal Services line and increasing the General Fund appropriation to the Operating Expenses line and reducing the cash fund (Water Data Bank Fund) appropriation by a like amount.

**The Committee already took action on this item in the Personal Services line above. The Committee does not need to take action on this item again.**

- ☐ **Budget Amendment 3 - Refinance Water Resources with Cash Funds Obtained Through Fee Increases.** The Committee is sponsoring S.B. 09-216 to implement the Water Resources Division request. Beginning March 1, 2009, certain fees collected by the Division of Water Resources in the Department of Natural Resources will be increased. The appropriations to the division are decreased by \$500,000 and modified so that a portion of personal services, operating, and indirect costs now financed with General Fund will be funded with cash funds.

**S.B. 09-216 is currently going through the legislative process, the Committee does not need to take action on this request.**

**Staff recommendation for funding the Operating Expenses line item is shown in the table below.**

<b>Summary of Recommendation – (8) Water Resources Division Operating Expenses — Department of Natural Resources</b>			
	<b>General Fund</b>	<b>CF</b>	<b>Total</b>
FY 2008-09 Appropriation	932,876	523,508	1,456,384
Annualize FY 09 DI-4 Republican River Compact Compliance	3,088	0	3,088
S-2 Cellular Phones Plans Cost Reduction	(9,648)	0	(9,648)
BA-2 End Department Participation in State Fair	(3,555)	0	(3,555)
NP-1 Postal Increase	3,587	0	3,587
BR-1 Online Water Information	<u>84,000</u>	<u>(84,000)</u>	<u>0</u>
<b>Total Recommendation</b>	<b>1,010,348</b>	<b>439,508</b>	<b>1,449,856</b>

### 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 request for a continuation appropriation of \$76,002 General Fund for the Interstate Compacts line item in FY 2009-10.**

<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 (streamflows 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 our 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 to and implement a well measurement program.

**Staff recommendation is presented in the table below.**

<b>Summary of Recommendation – (8) Water Resources Division Republican River Compact Compliance — Department of Natural Resources</b>				
	<b>General Fund</b>	<b>Cash Funds</b>	<b>Total</b>	<b>FTE</b>
FY 2008-09 Appropriation	203,736	94,000	<b>297,736</b>	4.7
Annualize DI #4 Republican River Compact Compliance	2,513	0	<b>2,513</b>	0.3
Annualize Salary Survey Awarded in FY 2008-09	1,245	0	<b>1,245</b>	0.0
Annualize Performance Pay Awarded in FY 2008-09	510	0	<b>510</b>	0.0
Add Back FY 2009 Hiring Freeze Savings	19,008	0	<b>19,008</b>	0.0
Annualize FY 2009 S-5 Refinance General Fund with Well Enforcement Cash Fund Balance	94,000	(94,000)	<b>0</b>	0.0
			<b>0</b>	
<b>Total Recommendation</b>	<b>321,012</b>	<b>0</b>	<b>321,012</b>	<b>5.0</b>

### **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 300 gaging stations, and over 250 stations operated by others 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 General Fund, approximately 60 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. Another 10 percent or more of the General Fund 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.

- ❑ ***Decision Item 12 - Satellite Monitoring System.*** The Water Resources Division is requesting increased spending authority of \$30,000 cash funds for FY 2009-10 from the Satellite Monitoring System Cash Fund to meet increasing operational expenses due to necessary expansion of the system.

***Department Justification for the Request.*** The Department lists the following reasons for the request:

The Satellite Monitoring System Cash Fund is the financial vehicle used by the Water Resources Division to collect fees to cover a portion of the operating and routine maintenance expenses of the Satellite Monitoring System (SMS).

The satellite-linked monitoring system provides the Division of Water Resources, other state and federal entities, and the water user community with access to real-time and historic stream flow data from gauging stations across the State of Colorado. The SMS is a comprehensive system of remote-sensing equipment that is housed in over 470 river, stream, canal, and reservoir gauging stations across the State.

The request is for increased spending authority in the amount of \$30,000 from the Satellite Monitoring System Cash Fund to support the operating and maintenance infrastructure on the ground. The Division states that since July 1, 2005, 50 new and refurbished stream gaging stations have been added to the SMS. As stream gaging stations have increased, so have the costs associated with providing maintenance and upkeep of the Satellite Monitoring System. These increased costs include:

- Additional satellite telemetry and associated electronic equipment to maintain an adequate spare parts inventory and minimize gage downtime;
- Additional equipment repair and replacement as equipment inventory expands;
- Additional supplies and materials for gage operation and maintenance including Dessicant, antennas, antenna cables and connectors, batteries, wiring harnesses, terminals, fuses, charging regulators, solar panels, orifice tubing, conduits, valves, pipe and fittings, funnels, high grade lubricants, floats, float tape, counterweights, sealant, u-bolts and other hardware, locks, graphite lubricant, rodent traps, and insect repellent;



- Additional hydrographic measurement equipment and supplies including current meters, wading rods, digital counting equipment, batteries, bank-operated calbeways, waders, clipboards, and forms; and
- Additional one-time installation costs associated with new gages or the refurbishment of existing gages with satellite monitoring equipment.

The Division states that lack of adequate funding for this program will result in inefficient water allocation and potential injury to senior water rights leading to increased conflicts, potential intra and interstate court action and damage payments.

**Staff analysis:**

As part of FY 2008-09 budget balancing, the Department proposed and the Committee approved a one-time refinance of General Fund with cash funds from the Satellite Monitoring System Cash Fund. As the table below shows, even with the FY 2009 one-time refinance and the increased expenditures in FY 2010 (the expenditure includes the \$30,000 requested funding increase) the fund balance in FY 2009-10 is expected to be at 116 percent of expenditures versus a target reserve of 16.5 percent.

<b>Satellite Monitoring System Cash Fund # 166 Staff Recommendation</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Estimate</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate</b>
Beginning FY Balance	\$179,499	\$194,009	\$172,138	\$175,639
Revenues	458,790	505,000	155,000	155,000
Expenditures	<u>(444,280)</u>	<u>(478,871)</u>	<u>(151,499)</u>	<u>(151,499)</u>
Ending FY Balance	\$194,009	\$220,138	\$175,639	\$179,140
FY 09 General Fund Refinance	<u>0</u>	<u>(48,000)</u>	<u>0</u>	<u>0</u>
Ending Balance after refinance	\$194,009	\$172,138	\$175,639	\$179,140

**Staff recommends the Committee approve the Department's request for decision item 12. The table below shows staff calculation of the FY 2009-10 appropriation amount for the Satellite Monitoring System.**

<b>Summary of Recommendation – (8) Water Resources Division Satellite Monitoring System — Department of Natural Resources</b>				
	<b>General Fund</b>	<b>CF</b>	<b>Total</b>	<b>FTE</b>
Personal Services (estimate)	111,834	47,889	159,723	2.0
Operating Expense (estimate)	<u>93,219</u>	<u>115,000</u>	<u>208,219</u>	—
FY 2008-09 Appropriation	205,053	162,889	367,942	2.0
Salary Survey Awarded in FY 2008-09	3,603	0	3,603	0.0

<b>Summary of Recommendation – (8) Water Resources Division Satellite Monitoring System — Department of Natural Resources</b>				
	<b>General Fund</b>	<b>CF</b>	<b>Total</b>	<b>FTE</b>
Performance Awards in FY 2008-09	1,845	0	1,845	0.0
<b>FY 2008-09 Base Appropriation</b>	<b>210,501</b>	<b>162,889</b>	<b>373,390</b>	<b>2.0</b>
Common Policy Reduction (0.0 percent)	0	0	0	0.0
Annualize S-2 Cellular Phone Plan Reductions	(1,898)	0	(1,898)	0.0
Annualize S-16 Refinance GF with Satellite Monitoring Cash Fund	48,000	(48,000)	0	0.0
DI-12 Satellite Monitoring System	0	30,000	30,000	0.0
			<u>0</u>	
<b>Total Recommendation</b>	<b>256,603</b>	<b>144,889</b>	<b>401,492</b>	<b>2.0</b>

### **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 increases fees for renewing a groundwater well pumping permit. This bill was anticipated to generate \$10,000 in additional fee revenue to the Gravel Pit Lakes Augmentation Fund, and it included an appropriation of \$9,400.

The request is for a continuing level of funding for FY 2009-10. **Staff recommends the requested continuation of \$44,400 cash funds for FY 2009-10.** The source of cash funds is the Gravel Pit Lakes Augmentation Fund authorized in Section 37-90-137 (11) (f), C.R.S.

### **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 request is for a continuation of the \$50,000 to be reflected in the Long Bill for FY 2009-10.

**The recommendation is to continue to reflect the \$50,000 spending authority which is continuously appropriated.** As the funding is continuously appropriated, this is shown for informational purposes only and does not represent spending authority in the Long Bill.

## **Federal Grant**

The requested amount of \$94,782 reflects the grants anticipated to be received. Part of the funding 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. **Staff recommends reflecting the \$94,782 federal funds anticipated to be received for the grants.**

## **River Decision Support Systems**

The River Decision Support System is the first part in a statewide decision support system. Similar systems for the Rio Grande, South Platte, and Arkansas River basins are underway or anticipated for future development. 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 request for this line item is for \$391,300 Cash Funds from the Colorado Water Conservation Board Construction Fund and 4.0 FTE for FY 2009-10.

**Staff recommends an appropriation of \$391,300 cash funds (Colorado Water Conservation Board Construction Fund) and 4.0 FTE in accordance with the JBC common policy.**

<b>Summary of Recommendation – (8) Water Resources Division River Decision Support Systems — Department of Natural Resources</b>		
	<b>Cash Funds</b>	<b>FTE</b>
Personal Services (estimate)	246,839	—
Operating Expense (estimate)	<u>99,447</u>	—
FY 2008-09 Appropriation	346,286	4.0
Salary Survey Awarded in FY 2008-09	8,837	—
Performance Awards for FY 2008-09	3,208	—
Add Back FY 2009 Hiring Freeze Savings	32,969	—
<b>FY 2008-09 Appropriation</b>	<b>391,300</b>	<b>4.0</b>

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

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 request is for a continuing level of funding for FY 2009-10. **Staff recommends the request for a continuing level of funding of \$61,589 cash funds from the Ground Water Management Cash Fund for FY 2009-10.**

**S.B. 04-225 Well Enforcement**

The request is for a continuing level of \$1,489 cash funds 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 is use for travel expenses. **Staff recommends the request for a continuing level of \$1,489 cash funds from the Well Enforcement Cash Fund for FY 2009-10.**

### **Indirect Cost Assessment**

The Department requests an appropriation of \$201,602 for indirect cost assessment. This request includes indirect costs calculated based on a refinance of the Water Resources Division with cash funds from fees (BA-3 Refinance Water Resources with Cash Funds Obtained Through fee Increases). The amount collected from this line item will be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. **Staff does not recommend the Department request since staff is not accounting for statutory changes in S.B. 09-216 that have not taken effect yet. Staff recommends funding indirect costs at \$42,670.** 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.

### **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 2009-10.** Rather, any potential appropriations for CWCB Construction Fund projects will be included in a special bill.

## **(9) DIVISION OF WILDLIFE**

This 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.

Note: Pursuant to the provisions of Section 33-1-103(9.5), C.R.S., the Division of Wildlife is an enterprise (see H.B. 01-1012). As such revenue received by the Division is exempt from Article X, Section 20 of the Constitution. In addition to revenue received by the Division for

finances and fees, the Division receives some funding from Great Outdoors Colorado. These funds are also exempt from state revenue limits, and are shown in the Long Bill for informational purposes only.

In FY 2006-07, the JBC approved the Division's request to consolidate these line items into four line items: (1) Director's Office, (2) Wildlife Management, (3) Technical Services, and (4) Information Technology.

*The Division of Wildlife has not requested any FY 2009-10 Decision Items or Budget Amendments specific to the Division. The Division does account for several adjustments for several statewide change requests and annualization of FY 2008-09 cost saving supplementals.*

**(1) Director's Office**

These staff 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 division-wide planning, budgeting and evaluation activities, as well as management of the Division's grant programs. This program also supports the Colorado Wildlife Commission.

<b>DOW - Director's Office Staffing Summary</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommendation</b>
Management and Administration	8.1	11.0	11.0	11.0
Policy Analysis and Financial Services	5.7	6.0	6.0	6.0
Internal Auditor	1.0	1.0	1.0	1.0
Temporaries	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Total</b>	<b>14.8</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>

**Staff recommends total funding of \$2,002,886 and 18.0 FTE for this line item, which is comprised of \$1,882,160 cash funds and \$120,726 federal funds.**



<b>Summary of Recommendation – Division of Wildlife</b>				
<b>(9) (A) (1) Director's Office — Department of Natural Resources</b>				
	<b>CF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
Personal Services (Estimate)	1,779,501	120,726	1,900,227	18.0
Operating Expense (Estimate)	<u>53,523</u>	<u>0</u>	<u>53,523</u>	—
FY 2008-09 Appropriation	1,833,024	120,726	1,953,750	18.0
Annualize Salary Survey Awarded in FY 2008-09	55,320	0	55,320	0.0
Annualize Performance Awards in FY 2008-09	16,828	0	16,828	0.0
Annualize FY 2009 S-2 Cellular Phones Cost Reduction	(963)	0	(963)	0.0
NP-BA Management and Administration of OIT	(63,330)	0	(63,330)	0.0
NP-1 Statewide Postal Increase	2,176	0	2,176	0.0
Add Back FY 2009 Hiring Freeze Savings	<u>39,105</u>	<u>0</u>	<u>39,105</u>	<u>0.0</u>
<b>Total Recommendation</b>	<b>1,882,160</b>	<b>120,726</b>	<b>2,002,886</b>	<b>18.0</b>

## **(2) Wildlife Management**

This line item is used for 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>DOW - Wildlife Management Staffing Summary</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommendation</b>
Engineers	0.5	1.9	1.9	1.9
GIS/Information Technology	11.1	9.0	9.0	9.0
Information/Education	32.3	31.5	31.5	31.5
Laboratory Technology/Veterinarian	5.0	5.0	5.0	5.0
Management and Administration	97.1	96.3	96.3	96.3
Property/Hatchery Technicians	126.6	126.7	126.7	126.7
Scientists/Researcher	35.5	30.0	30.0	30.0
Wildlife Management/Biologist	257.7	254.0	254.0	254.0
Temporaries	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Total</b>	<b>565.8</b>	<b>554.4</b>	<b>554.4</b>	<b>554.4</b>

**Staff recommends total funding of \$66,679,458 and 554.4 FTE for this line item, which is comprised of \$53,126,285 cash funds and \$10,260,816 federal funds.**

<b>Summary of Recommendation – Division of Wildlife</b>				
<b>(9) (A) (2) Wildlife Management — Department of Natural Resources</b>				
	<b>CF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
Personal Services (Estimate)			41,673,389	554.4
Operating Expense (Estimate)			<u>21,989,488</u>	0.0
FY 2008-09 Appropriation	53,402,061	10,260,816	63,662,877	554.4
Annualize Salary Survey Awarded in FY 2008-09	1,372,997	4,611	1,377,608	0.0
Annualize Performance Awards in FY 2008-09	410,638	0	410,638	0.0
<b>Continuation Estimate</b>	<b>55,185,696</b>	<b>10,265,427</b>	<b>65,451,123</b>	<b>554.4</b>
Common Policy Personal Services Reduction (0.0%)	0	0	0	0.0
Annualize S-2 Cellular Phones Cost Reduction	(52,939)	0	(52,939)	0.0
BA-2 End Department Participation in State Fair	(6,686)	0	(6,686)	0.0
NP-1 Statewide Postage Increase	20,539	0	20,539	0.0
Add Back FY 2009 Hiring Freeze Savings	1,218,204	0	1,218,204	0.0
SB 08-13 Annualization	<u>49,217</u>	<u>0</u>	<u>49,217</u>	<u>0.0</u>
<b>Total Recommendation</b>	<b>56,414,031</b>	<b>10,265,427</b>	<b>66,679,458</b>	<b>554.4</b>

### **(3) Technical Services**

The Technical Services line item provides support to other Division of 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>DOW - Technical Services Staffing Summary</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommendation</b>
Management and Administration	23.5	25.5	25.5	25.5
Accounting and Procurement	8.4	9.0	9.0	9.0
Engineers	18.4	18.7	18.7	18.7
Information Technology	1.0	1.0	1.0	1.0
Licensing	4.0	4.0	4.0	4.0
Wildlife Management / Biologists	1.0	2.8	2.8	2.8
Temporaries	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Total</b>	<b>56.3</b>	<b>61.0</b>	<b>61.0</b>	<b>61.0</b>

**Staff recommends total funding of \$6,710,840 and 61.0 FTE for this line item, which is comprised of \$6,695,449 cash funds and \$15,391 federal funds.**

<b>Summary of Recommendation – Division of Wildlife</b>				
<b>(9) (A) (3) Technical Services — Department of Natural Resources</b>				
	<b>CF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
Personal Services (Estimate)			5,105,677	61.0
Operating Expense (Estimate)			<u>1,409,866</u>	<u>0.0</u>
FY 2008-09 Appropriation	6,497,553	17,990	6,515,543	61.0
Annualize Salary Survey Awarded in FY 2008-09	135,413	0	135,413	0.0
Annualize Performance Awards in FY 2008-09	<u>48,750</u>	<u>0</u>	<u>48,750</u>	<u>0.0</u>
<b>Continuation Estimate</b>	<b>6,681,716</b>	<b>17,990</b>	<b>6,699,706</b>	<b>61.0</b>
Common Policy Personal Services Reduction (0.0%)	0	0	0	0.0
NP-1 Statewide Postage Increase	16,034	0	16,034	0.0
Annualize S-2 Cellular Phones Cost Reduction	(2,301)	0	(2,301)	0.0
Reduce Federal Funding	<u>0</u>	<u>(2,599)</u>	<u>(2,599)</u>	<u>0.0</u>
<b>Total Recommendation</b>	<b>6,695,449</b>	<b>15,391</b>	<b>6,710,840</b>	<b>61.0</b>

#### **(4) Information Technology**

This section supports information technology systems necessary for core Division of Wildlife functions by providing computer and communications infrastructure, asset management, user support, standardized software applications, internet oversight, development of information technology policies and plans, and the development and maintenance of new and existing business applications.

<b>DOW - Information Technology Staffing Summary</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommendation</b>
Management and Administration	1.5	1.0	1.0	1.0
Information Technology	<u>15.0</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>
<b>Total</b>	<b>16.5</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>

**Staff recommends total funding of \$2,949,348 cash funds and 18.0 FTE for this line item.**

<b>Summary of Recommendation – Division of Wildlife</b>				
<b>(9) (A) (4) Information Technology — Department of Natural Resources</b>				
	<b>CF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
Personal Services (Estimate)			1,648,056	18.0
Operating Expense (Estimate)			<u>1,237,134</u>	<u>0.0</u>
FY 2008-09 Appropriation	2,885,190	0	2,885,190	18.0
Annualize Salary Survey Awarded in FY 2008-09	60,778	0	60,778	0.0
Annualize Performance Awards in FY 2008-09	<u>17,626</u>	<u>0</u>	<u>17,626</u>	<u>0.0</u>
<b>Continuation Estimate</b>	<b>2,963,594</b>	<b>0</b>	<b>2,963,594</b>	<b>18.0</b>
Common Policy Personal Services Reduction (0.0%)	0	0	0	0.0
Annualize S-2 Cellular Phones Cost Reduction	(14,246)	0	(14,246)	0.0
<b>Total Recommendation</b>	<b>2,949,348</b>	<b>0</b>	<b>2,949,348</b>	<b>18.0</b>

### **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 Wildlife's budget schedules.

<b>Summary of Recommendation – Division of Wildlife</b>			
<b>(9) (A) Division Operations — Department of Natural Resources</b>			
	<b>CF</b>	<b>FF</b>	<b>Total</b>
Director's Office	1,882,160	120,726	2,002,886
Wildlife Management	56,414,031	10,265,427	66,679,458
Technical Services	6,695,449	15,391	6,710,840
Information Technology	<u>2,949,348</u>	<u>0</u>	<u>2,949,348</u>
<b>Total Recommendation</b>	<b>67,940,988</b>	<b>10,401,544</b>	<b>78,342,532</b>
Wildlife Cash Fund (Section 33-1-112 (1), C.R.S.)	59,925,988	0	59,925,988
Colorado Outdoor Sales	550,000	0	550,000
Great Outdoors Colorado (non-appropriated)	6,200,000	0	6,200,000
Non-game & Endangered Wildlife Cash Fund (Section 39-22-702, C.R.S.)	0	0	0
Federal Aid Projects Fund	15,000	0	15,000
Wildlife Mgmt. Public Education Fund (Section 33-1-112 (3.5), C.R.S.)	1,100,000	0	1,100,000
Donations	150,000	0	150,000
Miscellaneous Federal Funds	<u>0</u>	<u>10,401,544</u>	<u>10,401,544</u>
<b>Total Recommendation</b>	<b>67,940,988</b>	<b>10,401,544</b>	<b>78,342,532</b>

## **(9) DIVISION OF WILDLIFE**

### **(B) Division of Wildlife Special Purpose Line Items**

#### **Wildlife Commission Discretionary Fund**

Staff recommends the Department's continuation request of \$160,000 cash funds for this line item, which was reduced by \$90,000 cash funds in FY 2005-06. 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 Commission for this money and may work in cooperation with other agencies to complete the proposed projects. Past projects funded out of the Wildlife Commission 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.

### **Game Damage Claims and Prevention**

**Staff recommends the Department's continuation request of \$1,050,000 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 DOW liability) to standing and harvested crops, forage, and other property.

### **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 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 17 local Habitat Partnership Committees, 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.

### **Indirect Cost Assessment**

The Department requests an appropriation of \$3,281,465 for indirect cost assessments. The amount collected from this line item is from the Wildlife Cash Fund established in Section 33-1-112 (1) (a),

C.R.S. It will be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. **Staff recommends approval of the request for an appropriation of \$3,281,465.** 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.

**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 Wildlife's budget schedules.

<b>Summary of Recommendation – Division of Wildlife (9) (B) Special Purpose — Department of Natural Resources</b>	
	<b>CF</b>
Wildlife Commission Discretionary Fund	160,000
Game Damage Claims and Prevention	1,050,000
In stream Flow Program	296,027
Habitat Partnership Program	2,500,000
Indirect Cost Assessment	<u>3,281,465</u>
<b>Total Recommendation</b>	<b>7,287,492</b>
Wildlife Cash Fund (Section 33-1-112 (1), C.R.S.)	4,787,492
Habitat Partnership Cash Fund (Section 33-1-112 (8) (a), C.R.S.)	<u>2,500,000</u>
<b>Total Recommendation</b>	<b>7,287,492</b>

## **REQUESTS FOR INFORMATION**

- ❑ Staff recommends the Committee request a report by State Parks to be provided no later than September 1, 2009, in which the Department will identify the agency's sources and uses of all the agency's funding sources (including lottery, General Fund, cash funds, federal funds, GOCO, etc.). The Department should also include its analysis and recommendation for a more appropriate funding split between the operating and capital needs.

## **ADDITIONAL BALANCING OPTIONS**

### **Transfer from CWCB Construction Fund**

The Colorado Water Conservation Board Construction Fund, created in Section 37-60-121, C.R.S., provides loans for projects which will increase the beneficial consumptive use of Colorado's undeveloped compact entitled waters. Statute instructs the Colorado Water Conservation Board to participate in only those projects that can repay the board's investment. Grants are not allowed, unless specifically authorized by the general assembly acting by bill.

The Construction Fund is a partially self-supporting revolving loan fund. Revenues come from the return of principal and interest on outstanding loans, interest earned on the cash balance of the fund through investments by the State Treasurer, and mineral lease fund distributions. S.B. 08-218 modified the allocation of the state's portion of FML revenue by segregating FML bonus payment revenue and reallocation as well as non-bonus (rent and royalty) FML revenue reallocations. Per S.B. 08-218, beginning with FY 2008-09, the CWCB Construction fund will receive a distribution of 10 percent of non-bonus revenue, up to \$14.0 million. The amount transferred is allowed to grow by 4 percent annually in succeeding years. Staff notes that the Legislative Council December 2008 FML non-bonus revenue distribution for FY 2008-09 is projected to be \$183.0 million, the OSPB December 2008 FML non-bonus revenue distribution for FY 2008-09 is projected to be \$165.4 million. Under both revenue projections there is enough revenue for CWCB to reach its cap of \$14.0 million.

The Construction Fund pays for the administrative expenses of the Colorado Water Conservation Board, for FY 2008-09 the CWCB estimates that it will need \$7.5 million for salaries and operating costs. In addition the Construction Fund provides funding for non-reimbursable projects, an estimated \$7.3 million in FY 2008-09. The fund also provides funding for loans within the annual projects bill (H.B. 08-1346), approximately \$11.0 million in FY 2008-09.

The Committee already approved a \$10,250,000 transfer into GF for FY 2008-09 (S.B. 09-208, Section 35). There are additional amounts remaining in the fund that can be transferred out in FY 2008-09 and FY 2009-10. Impact of any additional transfers would mean less funding available in FY 2009-10 and beyond for water project loans and non-reimbursable investments.



<b>CWCB Construction Fund # 424</b>				
<b>FY 2008-09 Committee Action with <u>Department</u> Estimate of Future Expenditures</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Estimate</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate</b>
Beginning FY Balance	\$8,775,717	\$13,282,580	\$5,215,272	(\$630,439)
Revenues	28,884,363	28,529,612	30,174,809	31,757,209
<i>CWCB Operations</i>	<i>(5,914,121)</i>	<i>(7,495,620)</i>	<i>(7,490,520)</i>	<i>(7,699,696)</i>
<i>Non-Reimbursable Investments</i>	<i>(3,828,890)</i>	<i>(7,371,000)</i>	<i>(8,530,000)</i>	<i>(5,000,000)</i>
<i>Loan Issuances</i>	<i>(14,634,489)</i>	<i>(11,480,300)</i>	<i>(20,000,000)</i>	<i>(20,000,000)</i>
<i>Total Expenditures</i>	<i><u>(24,377,500)</u></i>	<i><u>(26,346,920)</u></i>	<i><u>(36,020,520)</u></i>	<i><u>(32,699,696)</u></i>
Ending FY Balance without transfer	\$13,282,580	\$15,465,272	(\$630,439)	(\$1,572,926)
Proposed Transfer	<u>0</u>	<u>(10,250,000)</u>	<u>0</u>	<u>0</u>
Ending Balance after transfer	\$13,282,580	\$5,215,272	(\$630,439)	(\$1,572,926)

<b>CWCB Construction Fund # 424</b>				
<b>FY 2008-09 Committee Action with <u>Staff</u> Estimate of Future Expenditures</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Estimate</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate</b>
Beginning FY Balance	\$8,775,717	\$13,282,580	\$5,215,272	\$19,369,561
Revenues	28,884,363	28,529,612	30,174,809	31,757,209
<i>CWCB Operations</i>	<i>(5,914,121)</i>	<i>(7,495,620)</i>	<i>(7,490,520)</i>	<i>(7,699,696)</i>
<i>Non-Reimbursable Investments</i>	<i>(3,828,890)</i>	<i>(7,371,000)</i>	<i>(8,530,000)</i>	<i>(5,000,000)</i>
<i>Loan Issuances</i>	<i>(14,634,489)</i>	<i>(11,480,300)</i>	<i>0</i>	<i>0</i>
<i>Total Expenditures</i>	<i><u>(24,377,500)</u></i>	<i><u>(26,346,920)</u></i>	<i><u>(16,020,520)</u></i>	<i><u>(12,699,696)</u></i>
Ending FY Balance without transfer	\$13,282,580	\$15,465,272	\$19,369,561	\$38,427,074
Proposed Transfer	<u>0</u>	<u>(10,250,000)</u>	<u>0</u>	<u>0</u>
Ending Balance after transfer	\$13,282,580	\$5,215,272	\$19,369,561	\$38,427,074

\* Staff notes that the staff example table is only supposed to provide an illustration of possible options, and does not represent actual policy decisions.

**Transfer from Perpetual Base Account of the Severance Tax Trust Fund**

The Severance Tax Perpetual Base Account is authorized in Section 39-29-109 (2)(a), C.R.S. Pursuant to statutes, the fund is 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. If revenues decrease due to a reduction in severance tax receipts or due to a transfer of funds, there will be fewer funds available for loans in FY 2009-10 and FY 2010-11.

The Committee already approved a \$20.0 million transfer into the General Fund for FY 2008-09 (S.B. 09-208, Section 36). There are additional amounts remaining in the fund that can be transferred out in FY 2008-09 and in FY 2009-10. Impact of any additional transfers would mean less funding available in FY 2009-10 and beyond for water project loans.

<b>Perpetual Base Account of the Severance Tax Trust Fund</b>				
<b>FY 2008-09 Committee Action with <u>Department</u> Estimate of Future Expenditures</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Estimate</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate</b>
Beginning FY Balance	\$43,702,079	\$18,058,960	\$19,869,753	\$13,898,580
<i>Account Receivables</i>	<i>10,507,640</i>	<i>9,307,525</i>	<i>10,298,059</i>	<i>11,540,957</i>
<i>Severance Tax</i>	<i>37,868,413</i>	<i>55,125,000</i>	<i>26,275,000</i>	<i>40,275,000</i>
<i>Principle Repayment</i>	<u><i>2,731,028</i></u>	<u><i>3,028,268</i></u>	<u><i>3,455,768</i></u>	<u><i>4,310,768</i></u>
<i>Total Revenues</i>	<i>51,107,081</i>	<i>67,460,793</i>	<i>40,028,827</i>	<i>56,126,725</i>
Loan Issuances	<u>(76,750,200)</u>	<u>(45,650,000)</u>	<u>(46,000,000)</u>	<u>(61,000,000)</u>
Ending FY Balance without transfer	\$18,058,960	\$39,869,753	\$13,898,580	\$9,025,305
Proposed Transfer	<u>0</u>	<u>(20,000,000)</u>	<u>0</u>	<u>0</u>
Ending Balance after transfer	\$18,058,960	\$19,869,753	\$13,898,580	\$9,025,305

**Perpetual Base Account of the Severance Tax Trust Fund  
FY 2008-09 Committee Action with Staff Estimate of Future Expenditures**

	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Estimate</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate</b>
Beginning FY Balance	\$43,702,079	\$18,058,960	\$19,869,753	\$34,898,580
<i>Account Receivables</i>	<i>10,507,640</i>	<i>9,307,525</i>	<i>10,298,059</i>	<i>11,540,957</i>
<i>Severance Tax</i>	<i>37,868,413</i>	<i>55,125,000</i>	<i>26,275,000</i>	<i>40,275,000</i>
<i>Principle Repayment</i>	<u><i>2,731,028</i></u>	<u><i>3,028,268</i></u>	<u><i>3,455,768</i></u>	<u><i>4,310,768</i></u>
<i>Total Revenues</i>	<i>51,107,081</i>	<i>67,460,793</i>	<i>40,028,827</i>	<i>56,126,725</i>
Loan Issuances	<u>(76,750,200)</u>	<u>(45,650,000)</u>	<u>(25,000,000)</u>	<u>(30,000,000)</u>
Ending FY Balance without transfer	\$18,058,960	\$39,869,753	\$34,898,580	\$61,025,305
Proposed Transfer	<u>0</u>	<u>(20,000,000)</u>	<u>0</u>	<u>0</u>
Ending Balance after transfer	\$18,058,960	\$19,869,753	\$34,898,580	\$61,025,305

\* Staff notes that the staff example table is only supposed to provide an illustration of possible options, and does not represent actual policy decisions.