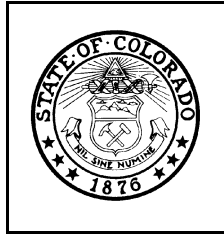


**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2008-09 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**

Prepared By:

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February 21, 2008**

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**FY 2008-09 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 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			Change Requests
				Request	Staff Rec. Old Format	Staff Rec. New Format	

DEPARTMENT OF NATURAL RESOURCES
Executive Director: Harris Sherman

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) Administration and Information Technology Services

Personal Services	4,267,668	4,464,151	4,963,165	5,147,216	5,096,415	5,096,415	
FTE	<u>52.1</u>	<u>57.6</u>	<u>60.6</u>	<u>61.0</u>	<u>61.0</u>	<u>61.0</u>	S.B. 07-228: 0.4 FTE
General Fund	0	0	0	19,256	142,654	142,654	
Cash Funds	2,053,227	2,168,618	2,356,469	2,210,035	2,332,904	0	
Cash Funds Exempt / Reappropriated Funds	2,214,441	2,295,533	2,606,696	2,917,925	2,620,857	4,953,761	
Health, Life, and Dental	<u>4,426,463</u>	<u>5,604,779</u>	<u>6,704,124</u>	<u>8,033,907</u>	<u>8,142,015</u>	<u>8,142,015</u>	Statewide Common Pol.
General Fund	1,558,727	2,027,673	1,614,859	1,878,076 A	1,878,076	1,878,076	NP BA #7a
Cash Funds	443,305	582,353	1,458,016	1,894,365 A	2,002,473	5,350,836	DI #1, #1a, and 6a
Cash Funds Exempt / Reappropriated Funds	2,063,110	2,537,840	3,179,794	3,605,823 A	3,605,823	257,460	(approved by JBC)
Federal Funds	361,321	456,913	451,455	655,643 A	655,643	655,643	
Short-term Disability	<u>120,307</u>	<u>97,433</u>	<u>118,210</u>	<u>120,765</u>	<u>131,569</u>	<u>131,569</u>	
General Fund	39,996	33,220	25,925	27,365 A	28,010	28,010	NP BA #7a
Cash Funds	14,885	12,450	28,829	30,439 A	33,973	88,101	DI #1, #1a, and 6a
Cash Funds Exempt / Reappropriated Funds	55,953	44,489	51,154	52,343 A	59,384	5,256	(approved by JBC)
Federal Funds	9,473	7,274	12,302	10,618 A	10,202	10,202	
S.B. 04-257 Amortization Equalization Disbursement	<u>222,573</u>	<u>659,938</u>	<u>1,078,513</u>	<u>1,487,126</u>	<u>1,612,132</u>	<u>1,612,132</u>	DI #1, #2, #4, #8, #9,
General Fund	77,274	233,748	232,658	336,803 A	337,559	337,559	#10, #11, #12, #15
Cash Funds	25,315	82,632	262,590	375,419 A	416,335	1,084,321	BA #16a, NP BA #7a
Cash Funds Exempt / Reappropriated Funds	102,634	295,277	469,702	644,218 A	732,679	64,693	DI #1, #1a, and 6a
Federal Funds	17,350	48,281	113,563	130,686 A	125,559	125,559	(approved by JBC)
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>0</u>	<u>0</u>	<u>214,102</u>	<u>475,616</u>	<u>750,077</u>	<u>750,077</u>	DI #1, #2, #4, #8, #9,
General Fund	0	0	41,546	107,392 A	152,620	152,620	#10, #11, #12, #15
Cash Funds	0	0	51,042	120,125 A	193,755	517,884	BA #16a, NP BA #7a
Cash Funds Exempt / Reappropriated Funds	0	0	97,855	207,004 A	344,846	20,717	DI #1, #1a, and 6a
Federal Funds	0	0	23,659	41,095 A	58,856	58,856	(approved by JBC)
Salary Survey and Senior Executive Service	<u>2,669,705</u>	<u>2,350,337</u>	<u>3,061,092</u>	<u>3,403,364</u>	<u>3,378,225</u>	<u>3,378,225</u>	
General Fund	885,364	736,064	732,883	625,243 A	624,902	624,902	NP BA #7a
Cash Funds	325,487	264,665	747,725	872,339 A	844,556	2,537,657	
Cash Funds Exempt / Reappropriated Funds	1,384,325	1,297,067	1,515,153	1,832,470 A	1,833,597	140,496	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec. Old Format	Staff Rec. New Format	Change Requests
Federal Funds	74,529	52,541	65,331	73,312 A	75,170	75,170	
Performance-based Pay Awards	<u>0</u>	<u>0</u>	<u>1,297,157</u>	<u>1,431,138</u>	<u>1,431,138</u>	<u>1,431,138</u>	
General Fund	0	0	297,912	324,273 A	324,273	324,273	NP BA #7a
Cash Funds	0	0	320,726	360,590 A	360,590	1,003,898	
Cash Funds Exempt / Reappropriated Funds	0	0	644,191	705,609 A	705,609	62,301	
Federal Funds	0	0	34,328	40,666 A	40,666	40,666	
Shift Differential	<u>14,854</u>	<u>21,620</u>	<u>12,251</u>	<u>19,373</u>	<u>19,373</u>	<u>19,373</u>	
General Fund	14,854	21,620	3,675	5,812	5,812	5,812	
Cash Funds	0	0	8,576	13,561	13,561	13,561	
Workers' Compensation	<u>2,542,579</u>	<u>1,675,718</u>	<u>935,612</u> S	<u>1,196,403</u>	<u>Pending</u>	<u>Pending</u>	Statewide Common Pol.
General Fund	521,488	392,282	119,864	181,633 A			Statewide DI: C-SEAP
Cash Funds	101,692	56,046	177,442	388,537 A			NP BA #1a
Cash Funds Exempt / Reappropriated Funds	1,899,435	1,225,852	636,971	624,865 A			
Federal Funds	19,964	1,538	1,335	1,368 A			
Operating Expenses	<u>1,259,063</u>	<u>1,262,568</u>	<u>1,268,271</u>	<u>1,261,883</u>	<u>1,261,883</u>	<u>1,261,883</u>	
Cash Funds	312,607	317,332	323,035	316,647	316,647	1,060,977	
Cash Funds Exempt / Reappropriated Funds	941,119	939,899	939,899	939,899	939,899	195,569	
Federal Funds	5,337	5,337	5,337	5,337	5,337	5,337	
Legal Services	2,507,423	2,740,635	3,165,863	3,165,863	Pending	Pending	
<i>Hours Equivalent</i>	<u>38,905</u>	<u>40,440</u>	<u>43,952</u>	<u>43,952</u>	<u>43,952</u>	<u>43,952</u>	
General Fund	746,450	1,008,990	876,300	876,301			
Cash Funds	445,460	623,114	949,523	949,522			
Cash Funds Exempt / Reappropriated Funds	1,280,733	1,060,613	1,291,865	1,291,865			
Federal Funds	34,780	47,918	48,175	48,175			
Administrative Law Judge Services - CFE / RF	24	82	0	0	Pending	Pending	
Purchase of Services from Computer Center	<u>170,542</u>	<u>593,892</u>	<u>427,670</u> S	<u>637,298</u>	<u>Pending</u>	<u>Pending</u>	Statewide Common Pol.
General Fund	6,589	22,945	5,938	8,847 A			NP BA #2a
Cash Funds	163,953	570,947	421,732	628,451 A			
Multiuse Network Payments	<u>847,605</u>	<u>836,283</u>	<u>1,024,275</u> S	<u>1,063,445</u>	<u>Pending</u>	<u>Pending</u>	DI #14, Statewide DI:
General Fund	305,256	351,786	249,305	259,476 A			MNT, NP BA #3a
Cash Funds	519,862	466,272	753,665	772,712 A			
Cash Funds Exempt / Reappropriated Funds	19,561	13,406	15,671	23,255 A			

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09				
				Request	Staff Rec. Old Format	Staff Rec. New Format	Change Requests	
Federal Funds	2,926	4,819	5,634	8,002	A			
Payment to Risk Management & Property Funds	<u>325,854</u>	<u>897,964</u>	<u>806,305</u>	S	<u>1,259,539</u>	Pending	Pending	
General Fund	95,277	321,132	144,167		423,181	A	Statewide Common Pol.	
Cash Funds	10,742	61,437	203,698		192,270	A	NP BA #4a	
Cash Funds Exempt / Reappropriated Funds	218,751	510,762	453,130		636,114	A		
Federal Funds	1,084	4,633	5,310		7,974	A		
Vehicle Lease Payments	<u>2,237,160</u>	<u>2,295,586</u>	<u>2,173,658</u>	S	<u>2,615,601</u>	Pending	Pending	
General Fund	722,379	754,908	337,632		372,674	A	DI #1, #2, #3, #4, #9, #10, #15, Statewide DI:	
Cash Funds	136,305	130,000	443,225		516,068	A	Vehicle Replacement	
Cash Funds Exempt / Reappropriated Funds	1,342,965	1,373,617	1,354,745		1,655,255	A	BA #18b, NP BA #5a	
Federal Funds	35,511	37,061	38,056		71,604	A		
Information Technology Asset Maintenance	<u>268,768</u>	<u>276,529</u>	<u>282,477</u>		<u>282,477</u>	<u>282,477</u>	<u>282,477</u>	
General Fund	105,354	105,354	53,746		53,746	53,746	53,746	
Cash Funds	118,466	133,944	191,500		191,500	191,500	125,957	
Cash Funds Exempt / Reappropriated Funds	32,712	24,995	24,995		24,995	24,995	90,538	
Federal Funds	12,236	12,236	12,236		12,236	12,236	12,236	
Leased Space	<u>747,262</u>	<u>852,838</u>	<u>957,548</u>		<u>1,147,481</u>	<u>1,232,822</u>	<u>1,232,822</u>	
General Fund	415,326	484,690	487,039		492,842	495,319	495,319	
Cash Funds	214,088	258,936	355,538		372,228	455,092	714,215	
Cash Funds Exempt / Reappropriated Funds	95,069	86,124	91,832		259,123	A	0 BA #18a	
Federal Funds	22,779	23,088	23,139		23,288	23,288	23,288	
Capitol Complex Leased Space	<u>730,095</u>	<u>754,454</u>	<u>871,159</u>	S	<u>865,395</u>	<u>Pending</u>	<u>Pending</u>	
General Fund	258,455	267,078	244,752		243,133	A	Statewide Common Pol. NP BA #6a	
Cash Funds	271,320	294,522	403,721		401,050	A		
Cash Funds Exempt / Reappropriated Funds	111,996	101,583	117,297		116,521	A		
Federal Funds	88,324	91,271	105,389		104,691	A		
Communications Services Payments	<u>771,743</u>	<u>909,642</u>	<u>946,136</u>	S	<u>979,138</u>	<u>Pending</u>	<u>Pending</u>	
General Fund	305,101	375,707	117,234		116,128			
Cash Funds	466,642	533,647	828,603		863,010			
Cash Funds Exempt / Reappropriated Funds	0	288	299		0			
							Request vs. Appropriation	
(1) (A) Administration and Information								
Technology Services	24,129,688	26,294,449	30,307,588		34,593,028	23,338,126	23,338,126	14.1%
FTE	<u>52.1</u>	<u>57.6</u>	<u>60.6</u>		<u>61.0</u>	<u>61.0</u>	<u>61.0</u>	<u>0.4</u>

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			Change Requests
				Request	Staff Rec. Old Format	Staff Rec. New Format	
General Fund	6,057,890	7,137,197	5,585,435	6,352,181	4,042,971	4,042,971	13.7%
Cash Funds	5,623,356	6,556,915	10,285,655	11,468,868	7,161,386	12,497,407	11.5%
Cash Funds Exempt / Reappropriated Funds	11,762,828	11,807,427	13,491,249	15,537,284	11,126,812	5,790,791	15.2%
Federal Funds	685,614	792,910	945,249	1,234,695	1,006,957	1,006,957	30.6%

(B) EPA Wetlands Grant - Federal Funds	395,141	374,262	0	0	0	0	n/a
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							Request vs. Appropriation
(C) H.B. 06-1311 (Species Cons. Trust Fund) - CFE	4,517,488	1,771,842	0	0	0	0	n/a

(D) H.B. 07-1182 (Species Cons. Trust Fund) - CFE	0	0	3,485,000	0	0	0	-100.0%
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							Request vs. Appropriation
(1) EXECUTIVE DIRECTOR'S OFFICE							
- SUBTOTAL	29,042,317	28,440,553	33,792,588	34,593,028	23,338,126	23,338,126	2.4%
FTE	<u>52.1</u>	<u>57.6</u>	<u>60.6</u>	<u>61.0</u>	<u>61.0</u>	<u>61.0</u>	<u>0.4</u>
General Fund	6,057,890	7,137,197	5,585,435	6,352,181	4,042,971	4,042,971	13.7%
Cash Funds	5,623,356	6,556,915	10,285,655	11,468,868	7,161,386	12,497,407	11.5%
Cash Funds Exempt / Reappropriated Funds	16,280,316	13,579,269	16,976,249	15,537,284	11,126,812	5,790,791	-8.5%
Federal Funds	1,080,755	1,167,172	945,249	1,234,695	1,006,957	1,006,957	30.6%

(6) PARKS AND OUTDOOR RECREATION

(A) State Park Operations	20,738,961	22,248,888	25,058,560	24,792,312	24,576,532	24,576,532	DI #5
FTE	<u>218.8</u>	<u>234.9</u>	<u>266.6</u>	<u>261.1</u>	<u>261.1</u>	<u>261.1</u>	
General Fund	2,437,711	2,725,772	5,466,161	5,859,574	5,783,168	5,783,168	
Cash Funds	17,036,182	18,119,903	16,952,945	17,540,289	17,400,915	18,347,975	
Cash Funds Exempt / Reappropriated Funds	947,060	986,016	2,191,060	947,060	947,060	0	
Federal Funds	318,008	417,197	448,394	445,389	445,389	445,389	

							Request vs. Appropriation
(A) State Park Operations - Subtotal	20,738,961	22,248,888	25,058,560	24,792,312	24,576,532	24,576,532	-1.1%
FTE	<u>218.8</u>	<u>234.9</u>	<u>266.6</u>	<u>261.1</u>	<u>261.1</u>	<u>261.1</u>	<u>(5.5)</u>
General Fund	2,437,711	2,725,772	5,466,161	5,859,574	5,783,168	5,783,168	7.2%
Cash Funds	17,036,182	18,119,903	16,952,945	17,540,289	17,400,915	18,347,975	3.5%
Cash Funds Exempt / Reappropriated Funds	947,060	986,016	2,191,060	947,060	947,060	0	-56.8%

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			Change Requests
				Request	Staff Rec. Old Format	Staff Rec. New Format	
Federal Funds	318,008	417,197	448,394	445,389	445,389	445,389	-0.7%

(B) Great Outdoors Colorado (GOCO) Board Grants

Land and Water Protection - Cash Funds	0	0	0	0	0	709,000	
Land and Water Protection - CFE / RF	661,614	574,062	651,000	709,000	709,000	0	
FTE	2.0	2.0	2.0	2.0	2.0	2.0	
Operations and Maintenance - Cash Funds	0	0	0	0	0	1,969,000	
Operations and Maintenance - CFE / RF	1,728,381	1,742,032	1,806,000	1,969,000	1,969,000	0	
FTE	7.9	13.2	14.5	14.5	14.5	14.5	
Statewide Programs - Cash Funds	0	0	0	0	0	1,657,000	
Statewide Programs - CFE / RF	2,041,432	1,339,874	1,568,000	1,657,000	1,657,000	0	
FTE	9.6	3.9	6.0	6.0	6.0	6.0	

**Request vs.
Appropriation**

(B) GOCO Board Grants - Subtotal	4,431,427	3,655,968	4,025,000	4,335,000	4,335,000	4,335,000	7.7%
FTE	<u>19.5</u>	<u>19.1</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	0	0	0	4,335,000	n/a
Cash Funds Exempt / Reappropriated Funds	4,431,427	3,655,968	4,025,000	4,335,000	4,335,000	0	7.7%

(C) Special Purpose

Snowmobile Program - CF	702,388	672,960	1,004,998 S	1,003,878 A	1,003,878	1,003,878	BA #16a
FTE	0.0	0.0	0.0	1.3	1.3	1.3	
River Outfitters Regulation - CF	54,224	67,686	74,466	74,466	74,466	74,466	
Off-Highway Vehicle Program - CF	335,524	353,494	371,897	379,479	379,124	379,124	
FTE	3.0	3.0	3.0	3.0	3.0	3.0	
Federal Grants - FF	588,400	417,197	518,516	518,516	518,516	518,516	
S.B. 03-290 Enterprise Fund - CF	0	0	0	0	0	200,000	
S.B. 03-290 Enterprise Fund - CFE/ RF	200,000	200,000	200,000	200,000	200,000	0	
System Operations and Support - CF	0	0	0	0	0	735,000	
System Operations and Support - CFE / RF	735,198	413,093	730,000	735,000	735,000	0	
Connectivity at State Parks - CF	0	0	0	0	0	370,000	
Connectivity at State Parks - CFE / RF	63,130	245,125	370,000	370,000	370,000	0	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			Change Requests
				Request	Staff Rec. Old Format	Staff Rec. New Format	
Asset Management - CF	0	0	0	0	0	300,000	
Asset Management - CFE / RF	157,322	349,653	300,000	300,000	300,000	0	
Voice Over Internet Protocol - CF	N/A	N/A	0	0	0	0	
Voice Over Internet Protocol - CFE / RF	N/A	N/A	175,000	0	0	0	
Law Enforcement Equipment - CF	N/A	N/A	N/A	0	0	126,780	
Law Enforcement Equipment - CFE / RF	N/A	N/A	N/A	126,780	126,780	0	DI #18
Indirect Cost Assessment	<u>1,121,446</u>	<u>1,241,685</u>	<u>1,383,414</u>	<u>1,346,673</u>	<u>1,346,673</u>	<u>1,346,673</u>	
Cash Funds	928,927	1,134,232	1,318,075	1,283,850	1,283,850	1,283,850	
Federal Funds	192,519	107,453	65,339	62,823	62,823	62,823	
							Request vs. Appropriation
(C) Special Purpose - Subtotal	3,957,632	3,960,893	5,128,291	5,054,792	5,054,437	5,054,437	-1.4%
FTE	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>4.3</u>	<u>4.3</u>	<u>4.3</u>	<u>1.3</u>
Cash Funds	2,021,063	2,228,372	2,769,436	2,741,673	2,741,318	4,473,098	-1.0%
Cash Funds Exempt / Reappropriated Funds	1,155,650	1,207,871	1,775,000	1,731,780	1,731,780	0	-2.4%
Federal Funds	780,919	524,650	583,855	581,339	581,339	581,339	-0.4%

							Request vs. Appropriation
(6) PARKS AND OUTDOOR RECREATION							
- SUBTOTAL	29,128,020	29,865,749	34,211,851	34,182,104	33,965,969	33,965,969	-0.1%
FTE	<u>241.3</u>	<u>257.0</u>	<u>292.1</u>	<u>287.9</u>	<u>287.9</u>	<u>287.9</u>	<u>(4.2)</u>
General Fund	2,437,711	2,725,772	5,466,161	5,859,574	5,783,168	5,783,168	7.2%
Cash Funds	19,057,245	20,348,275	19,722,381	20,281,962	20,142,233	27,156,073	2.8%
Cash Funds Exempt / Reappropriated Funds	6,534,137	5,849,855	7,991,060	7,013,840	7,013,840	0	-12.2%
Federal Funds	1,098,927	941,847	1,032,249	1,026,728	1,026,728	1,026,728	-0.5%

(7) COLORADO WATER CONSERVATION BOARD

(A) Administration

Personal Services	2,403,548	2,511,934	2,769,220	2,968,248	2,939,094	2,939,094	DI #10
FTE	26.0	27.4	30.0	31.0	31.0	31.0	
Operating Expenses	93,100	89,890	89,994	100,027	100,027	100,027	DI #2, #10
Interstate Compacts	289,522	289,529	330,433	350,337	350,337	350,337	DI #7

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			Change Requests
				Request	Staff Rec. Old Format	Staff Rec. New Format	
Western States Water Council Dues	25,000	25,000	27,500	27,500	27,500	27,500	
River Decision Support Systems	468,671	479,164	515,153	535,652	534,728	534,728	
FTE	5.0	5.0	5.0	5.0	5.0	5.0	
							Request vs. Appropriation
(A) Administration - Subtotal	3,279,841	3,395,517	3,732,300	3,981,764	3,951,686	3,951,686	6.7%
FTE	<u>31.0</u>	<u>32.4</u>	<u>35.0</u>	<u>36.0</u>	<u>36.0</u>	<u>36.0</u>	<u>1.0</u>
Cash Funds	339,777	339,777	339,777	339,777	339,777	3,655,659	0.0%
Cash Funds Exempt / Reappropriated Funds	2,940,064	3,055,740	3,392,523	3,641,987	3,611,909	296,027	7.4%

(B) Special Purpose

Intrastate Water Management and Development-CF	0	0	0	0	0	470,980	
(SWSI) Water Supply Management, Development, and Implementation Assistance - CFE¹	0	470,980	470,980	470,980	470,980	0	
Federal Emergency Management Assistance	185,719	146,120	146,120	146,120	146,120	146,120	
FTE	<u>1.0</u>	<u>1.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds (CWCB)	0	0	0	0	0	13,941	
Cash Funds Exempt / Reappropriated Funds (CWCB)	24,812	13,941	13,941	13,941	13,941	0	
Federal Funds	160,907	132,179	132,179	132,179	132,179	132,179	
Weather Modification - CF (Fees)	8,918	9,900	25,000	25,000	25,000	25,000	
Water Conservation Program - CF (CWCB)	0	0	0	0	0	270,548	
Water Conservation Program - CFE / RF (CWCB)	173,208	169,877	182,824	275,801	270,548	0	DI #2
FTE	2.2	1.5	2.5	4.0	4.0	4.0	
H.B. 05-1254 (Water Efficiency Grant Program) - CF ²	0	0	0	0	0	550,000	
H.B. 05-1254 (Water Efficiency Grant Program) - CFE / RF ²	86,409	285,392	600,029	600,029	550,000	0	
FTE	N/A	N/A	1.0	1.0	0.0	0.0	
Severance Tax Projects - CF	826,405	963,018	1,275,500	1,275,500	1,275,500	1,275,500	
HB 05-1177 (Negotiation of Interbasin Compacts) - CF (Sev Tax)	206,009	227,990	0	0	0	0	
FTE	0.5	0.5	0.0	0.0	0.0	0.0	
Interbasin Compacts (HB 06-1400) - CF	0	306,654	1,108,425	1,114,101	1,113,995	1,113,995	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			Change Requests
				Request	Staff Rec. Old Format	Staff Rec. New Format	
FTE	0.0	0.0	1.7	3.7	3.7	3.7	DI #13
Platte River Basin Cooperative Agreement							
Cash Funds (CWCB)	0	0	0	0	0	238,598	
Cash Funds Exempt / Reappropriated Funds (CWCB)	211,880	228,726	234,133	238,862	238,598	0	
FTE	1.0	1.0	1.0	1.0	1.0	1.0	
S.B. 02-87 Colorado Watershed Protection Fund - CF	0	0	0	0	0	119,942	
S.B. 02-87 Colorado Watershed Protection Fund - CFE / RF	78,606	98,639	119,942	119,942	119,942	0	
Indirect Cost Assessment	<u>368,134</u>	<u>415,606</u>	<u>452,076</u>	<u>461,627</u>	<u>461,627</u>	<u>461,627</u>	
Cash Funds (CWCB)	0	0	0	0	0	455,380	
Cash Funds Exempt / Reappropriated Funds (CWCB)	356,789	402,711	446,108	455,380	455,380	0	
Federal Funds	11,345	12,895	5,968	6,247	6,247	6,247	
Water Construction Fund Bill - CF	0	0	0	0	0	0	
Water Construction Fund Bill - CFE / RF	4,173,053	3,981,555	5,795,000 /a	0	0	0	
S.B. 06-193 Study - CF	0	123,860	0	0	0	0	

**Request vs.
Appropriation**

(B) Special Purpose - Subtotal	6,318,341	7,428,317	10,410,029	4,727,962	4,672,310	4,672,310	-54.6%
FTE	<u>4.7</u>	<u>4.0</u>	<u>8.2</u>	<u>11.7</u>	<u>10.7</u>	<u>10.7</u>	<u>3.5</u>
Cash Funds	1,041,332	1,631,422	2,408,925	2,414,601	2,414,495	4,533,884	0.2%
Cash Funds Exempt / Reappropriated Funds	5,104,757	5,651,821	7,862,957	2,174,935	2,119,389	0	-72.3%
Federal Funds	172,252	145,074	138,147	138,426	138,426	138,426	0.2%

¹ The CWCB is requesting to change the name of this line item from current name, to "Intrastate Water Management and Development".

² 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 is requesting a continuation of this appropriation for FY 09.

a/ Funding for this area is provided through a special bill: the annual water projects bill (S.B 07-122). As such, in the request for FY 2008-09, staff is providing the Department's estimate of the funding in the 2008 projects bill.

**Request vs.
Appropriation**

(7) COLORADO WATER CONSERVATION BOARD							
- SUBTOTAL	9,598,182	10,823,834	14,142,329	8,709,726	8,623,996	8,623,996	-38.4%
FTE	<u>35.7</u>	<u>36.4</u>	<u>43.2</u>	<u>47.7</u>	<u>46.7</u>	<u>46.7</u>	<u>4.5</u>
Cash Funds	1,381,109	1,971,199	2,748,702	2,754,378	2,754,272	8,189,543	0.2%
Cash Funds Exempt / Reappropriated Funds	8,044,821	8,707,561	11,255,480	5,816,922	5,731,298	296,027	-48.3%
Federal Funds	172,252	145,074	138,147	138,426	138,426	138,426	0.2%

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec. Old Format	Staff Rec. New Format	Change Requests
(8) WATER RESOURCES DIVISION ("State Engineer's Office")							
Personal Services	15,943,082	17,393,013	18,291,158	18,951,264	18,765,529	18,765,529	DI #4
FTE	<u>235.1</u>	<u>238.2</u>	<u>266.4</u>	<u>263.6</u>	<u>263.6</u>	<u>263.6</u>	
General Fund	13,175,085	17,033,615	17,775,224	18,430,780	18,250,306	18,250,306	
General Fund Exempt	4,719	0	0	0	0	0	
Cash Funds (Mostly Gr. Water Management Fee)	2,752,428	341,888	500,121	504,703	499,603	515,223	
Cash Funds Exempt / Reappropriated Funds	10,850	17,510	15,813	15,781	15,620	0	
Operating Expenses	<u>1,390,032</u>	<u>1,506,838</u>	<u>1,650,957</u>	<u>1,533,685</u>	<u>1,540,479</u>	<u>1,540,479</u>	
General Fund	900,524	1,012,903	1,062,896	1,039,177	1,045,971	1,045,971	DI #3, #4
General Fund Exempt	0	0	0	0	0	0	
Cash Funds	398,979	403,511	403,979	403,979	403,979	494,508	
Cash Funds Exempt / Reappropriated Funds	90,529	90,424	184,082	90,529	90,529	0	
Interstate Compacts - GF	74,298	76,002	76,002	76,002	76,002	76,002	
Republican River Compact Compliance	104,281	81,673	46,047	316,744	316,744	316,744	DI #4
FTE	<u>0.6</u>	<u>1.0</u>	<u>1.0</u>	<u>4.7</u>	<u>4.7</u>	<u>4.7</u>	
General Fund	32,432	46,278	46,047	316,744	316,744	316,744	
General Fund Exempt	67,708	23,892	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	4,141	11,503	0	0	0	0	
Satellite Monitoring System	355,265	359,103	361,603	368,379	369,049	369,049	
FTE	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
General Fund	240,265	244,103	246,603	253,379	254,160	254,160	DI #4
Cash Funds	115,000	94,443	94,443	94,443	94,352	114,889	
Cash Funds Exempt / Reappropriated Funds	0	20,557	20,557	20,557	20,537	0	
Augmentation of Water for Sand and Gravel Extraction	<u>30,723</u>	<u>40,720</u>	<u>44,400</u>	<u>44,400</u>	<u>44,400</u>	<u>44,400</u>	
Cash Funds	28,273	36,970	44,400	44,400	44,400	44,400	
Cash Funds Exempt / Reappropriated Funds	2,450	3,750	0	0	0	0	
Dam Emergency Repair - H.B. 92-1131							
Cash Funds	0	0	0	0	0	50,000	
Cash Funds Exempt / Reappropriated Funds	0	0	50,000	50,000	50,000	0	
Federal Grants - FF (Mostly FEMA)	62,385	120,404	79,595	84,000	84,000	84,000	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			Change Requests
				Request	Staff Rec. Old Format	Staff Rec. New Format	
River Decision Support Systems - CF	0	0	0	0	0	379,255	
River Decision Support Systems - CFE / RF	352,976	360,926	366,747	379,850	379,255	0	
FTE	3.7	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	61,589	
S.B. 04-225 Well Enforcement - CF	342	0	1,489	1,489	1,489	1,489	
Indirect Cost Assessment	<u>206,242</u>	<u>49,500</u>	<u>59,757</u>	<u>56,670</u>	<u>56,670</u>	<u>56,670</u>	
Cash Funds	172,531	23,678	33,938	37,745	37,745	56,062	
Cash Funds Exempt / Reappropriated Funds	29,839	22,750	24,331	18,317	18,317	0	
Federal Funds	3,872	3,072	1,488	608	608	608	
Expenditure of Water Project Bill Funds - CFE / RF (CWCB)	296,711	414,068	0	0	0	0	
							Request vs. Appropriation
(8) WATER RESOURCES DIVISION - SUBTOTAL	18,816,337	20,402,247	21,089,344	21,924,072	21,745,206	21,745,206	4.0%
FTE	241.4	245.0	273.4	274.3	274.3	274.3	0.9
General Fund	14,422,604	18,412,901	19,206,772	20,116,082	19,943,183	19,943,183	4.7%
General Fund Exempt	72,427	23,892	0	0	0	0	n/a
Cash Funds	3,467,553	900,490	1,139,959	1,148,348	1,143,157	1,717,415	0.7%
Cash Funds Exempt / Reappropriated Funds	787,496	941,488	661,530	575,034	574,258	0	-13.1%
Federal Funds	66,257	123,476	81,083	84,608	84,608	84,608	4.3%

(9) DIVISION OF WILDLIFE

(A) Division Operations

(1) Director's Office	1,789,996	2,057,146	1,993,773	2,052,241	2,048,629	2,048,629	
FTE	<u>15.8</u>	<u>16.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	
Cash Funds	0	0	0	0	0	1,927,903	
Cash Funds Exempt / Reappropriated Funds	1,688,500	1,928,585	1,872,824	1,931,292	1,927,903	0	
Federal Funds	101,496	128,561	120,949	120,949	120,726	120,726	
(2) Wildlife Management	58,567,516	60,090,270	63,900,081	S 63,661,144	63,387,101	63,387,101	
FTE	<u>653.1</u>	<u>532.7</u>	<u>555.4</u>	<u>555.4</u>	<u>555.4</u>	<u>555.4</u>	
Cash Funds	0	0	0	0	0	53,126,285	
Cash Funds Exempt / Reappropriated Funds	49,333,919	50,201,905	53,558,654	53,334,759	A 53,126,285	0	DI #16, BA #18a
Federal Funds	9,233,597	9,888,365	10,341,427	10,326,385	10,260,816	10,260,816	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			Change Requests
				Request	Staff Rec. Old Format	Staff Rec. New Format	
(3) Technical Services	5,784,931	6,209,317	6,375,414	6,566,679	6,516,885	6,516,885	
FTE	<u>59.5</u>	<u>55.8</u>	<u>61.0</u>	<u>61.0</u>	<u>61.0</u>	<u>61.0</u>	
Cash Funds	0	0	0	0	0	6,498,895	
Cash Funds Exempt / Reappropriated Funds	5,760,595	6,188,623	6,357,215	6,548,526	6,498,895	0	
Federal Funds	24,336	20,694	18,199	18,153	17,990	17,990	
(4) Information Technology	2,784,132	2,661,388	2,816,199	2,893,829	2,893,500	2,893,500	
FTE	<u>18.8</u>	<u>17.6</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	
Cash Funds	0	0	0	0	0	2,893,500	
Cash Funds Exempt / Reappropriated Funds	2,626,698	2,661,388	2,816,199	2,893,829	2,893,500	0	
Federal Funds	157,434	0	0	0	0	0	
							Request vs. Appropriation
(A) Division Operations - Subtotal	68,926,575	71,018,121	75,085,467	75,173,893	74,846,115	74,846,115	0.1%
FTE	<u>747.2</u>	<u>622.1</u>	<u>652.4</u>	<u>652.4</u>	<u>652.4</u>	<u>652.4</u>	<u>0.0</u>
Cash Funds	0	0	0	0	0	64,446,583	n/a
Cash Funds Exempt / Reappropriated Funds	59,409,712	60,980,501	64,604,892	64,708,406	64,446,583	0	0.2%
Federal Funds	9,516,863	10,037,620	10,480,575	10,465,487	10,399,532	10,399,532	-0.1%

(B) Special Purpose

Wildlife Commission Discretionary Fund - CF	0	0	0	0	0	160,000	
Wildlife Commission Discretionary Fund - CFE / RF	135,469	90,987	160,000	160,000	160,000	0	
Game Damage Claims and Prevention - CF	0	0	0	0	0	1,050,000	
Game Damage Claims and Prevention - CFE / RF	679,249	849,279	1,050,000	1,050,000	1,050,000	0	
Instream Flow Program - CF	0	0	0	0	0	296,027	
Instream Flow Program - CFE / RF	296,027	296,027	296,027	296,027	296,027	0	
Habitat Partnership Program - CF	0	0	0	0	0	2,500,000	
Habitat Partnership Program - CFE / RF	1,777,273	2,169,274	2,500,000	2,500,000	2,500,000	0	
Indirect Cost Assessment - Total Funds	<u>2,894,845</u>	<u>3,126,508</u>	<u>3,478,621</u>	<u>3,413,878</u>	<u>3,413,878</u>	<u>3,413,878</u>	
Cash Funds	0	0	0	0	0	3,413,878	
Cash Funds Exempt / Reappropriated Funds	2,894,845	3,126,508	3,055,467	3,413,878	3,413,878	0	
Federal Funds	0	0	423,154	0	0	0	

							Request vs. Appropriation
(B) Special Purpose - Subtotal	<u>5,782,863</u>	<u>6,532,075</u>	<u>7,484,648</u>	<u>7,419,905</u>	<u>7,419,905</u>	<u>7,419,905</u>	-0.9%
Cash Funds	0	0	0	0	0	7,419,905	n/a

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			Change Requests
				Request	Staff Rec. Old Format	Staff Rec. New Format	
Cash Funds Exempt / Reappropriated Funds	5,782,863	6,532,075	7,061,494	7,419,905	7,419,905	0	5.1%
Federal Funds	0	0	423,154	0	0	0	-100.0%

							Request vs. Appropriation
(9) DIVISION OF WILDLIFE - SUBTOTAL	74,709,438	77,550,196	82,570,115	82,593,798	82,266,020	82,266,020	0.0%
FTE	<u>747.2</u>	<u>622.1</u>	<u>652.4</u>	<u>652.4</u>	<u>652.4</u>	<u>652.4</u>	<u>0.0</u>
Cash Funds	0	0	0	0	0	71,866,488	n/a
Cash Funds Exempt / Reappropriated Funds	65,192,575	67,512,576	71,666,386	72,128,311	71,866,488	0	0.6%
Federal Funds	9,516,863	10,037,620	10,903,729	10,465,487	10,399,532	10,399,532	-4.0%

							Request vs. Appropriation
DEPARTMENT OF NATURAL RESOURCES (EDO, Parks & Outdoor Recreation, CWCB, WRD, and DOW)							
TOTAL FUNDS	161,294,294	167,082,579	185,806,227	182,002,728	169,939,317	169,939,317	-2.0%
FTE	<u>1,317.7</u>	<u>1,218.1</u>	<u>1,321.7</u>	<u>1,323.3</u>	<u>1,322.3</u>	<u>1,322.3</u>	<u>1.6</u>
General Fund	22,990,632	28,299,762	30,258,368	32,327,837	29,769,322	29,769,322	6.8%
Cash Funds	29,529,263	29,776,879	33,896,697	35,653,556	31,201,048	121,426,926	5.2%
Cash Funds Exempt / Reappropriated Funds	96,839,345	96,590,749	108,550,705	101,071,391	96,312,696	6,086,818	-6.9%
Federal Funds	11,935,054	12,415,189	13,100,457	12,949,944	12,656,251	12,656,251	-1.1%

**DEPARTMENT OF NATURAL RESOURCES
FIGURE SETTING FY 2008-09**

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 \$187 million, a capital construction budget of \$31.9 million, and revenues exceeding \$189.9 million (\$168 million cash funds and \$21.8 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 recommends the Committee continue this policy for FY 2008-09.*

Indirect Cost Plan Funding. The indirect cost plan submitted by the Department with the November request collects money from cash funds for costs that should be paid by the General Fund, If the Department and statewide overhead expenses are allocated based on personal services. Staff requested for the Department to re-submit the indirect cost plan which does not over-assess user fees. Users of the Divisions of Parks and Wildlife are picking up the majority of the costs staff believes should be born by the General Fund. The indirect cost plan submitted by the Department for FY 2008-09 is not materially different from the indirect plan that has been used for the Department for several years, but staff is not aware of this issue coming to the attention of the JBC in the past. The table below displays the "Fair Share" plan, as re-submitted by the Department:

Indirect Cost Allocation ("Fair Share")			
	Departmental	Statewide	Total
	4,582,166	1,856,516	6,438,682
Indirect Cost Recoveries			
	State Cash Plan	Federal Recovery Plan	Total
Recoverable Costs	5,453,629	657,477	6,111,106
Federal Shortfall	134,122	0	134,122
Additional GF Shortfall	193,455	0	193,455
Total	5,781,206	657,477	6,438,683

Staff recommends the Committee approve using the updated "Fair Share" plan methodology submitted by the Department. This plan shows that the Department will need an appropriation of \$193,455 General Fund in the Executive Director's Office, Administration and Information Technology, Personal Services line item. Staff notes that this appropriation includes \$19,295 General Fund for S.B. 07-228. Due to the fact that staff is using a different base reduction rate, as well as several statewide pending line items that will affect the final appropriation need calculation, staff will not know the final General Fund need until all other pending appropriations have been set. However, based on staff calculation of the personal services line alone, staff recommends using the current staff estimate for an additional General Fund shortfall of \$142,654.

Indirect Cost Allocation (JBC Staff)			
	Departmental	Statewide	Total
	4,531,365	1,856,516	6,387,881
Indirect Cost Recoveries			
	State Cash Plan	Federal Recovery Plan	Total
Recoverable Costs	5,453,629	657,477	6,111,106
Federal Shortfall	134,122	0	134,122
Additional GF Shortfall	142,654	0	142,654
Total	5,730,405	657,477	6,387,882

Personal Services

Executive Directors Office Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Management and Administration	11.2	14.0	14.0	14.0
Policy Analysis and Financial Services	16.4	17.9	18.3	18.3
Human Resources	9.3	10.0	10.0	10.0
Information Technology	<u>14.8</u>	<u>18.7</u>	<u>18.7</u>	<u>18.7</u>
Total	51.7	60.6	61.0	61.0

Staff recommends total funding of \$5,096,415 (\$142,654 General Fund and \$4,953,761 indirect cost recoveries) and 61.0 FTE for this line item (see the following table). Personal services expenditures in the Executive Director's Office have been funded solely from indirect cost recoveries in the past. For FY 2008-09, staff recommends covering indirect cost recoveries shortfalls with General Fund.

Summary of Recommendation – Executive Director's Office Personal Services — Department of Natural Resources					
	GF	CF	RF	Total	FTE
FY 07-08 Appropriation	0	0	4,963,165	4,963,165	60.6
Salary Survey Awarded in FY 07-08	0	119,949	0	119,949	0.0
80 % of Performance pay awarded in FY 07-08	<u>0</u>	<u>45,290</u>	<u>0</u>	<u>45,290</u>	<u>0.0</u>
Continuation Estimate	0	165,239	4,963,165	5,128,404	60.6
Common Policy Reduction (1.0%)	0	(1,652)	(49,632)	(51,284)	0.0
S.B. 07-228	19,295	0	0	19,295	0.4
Refinance EDO indirect costs with General Fund	123,359	0	(123,359)	0	0.0
Fund Mix Adjustment	<u>0</u>	<u>(163,587)</u>	<u>163,587</u>	<u>0</u>	<u>0.0</u>
Total Recommendation	142,654	0	4,953,761	5,096,415	61.0
Potential Adjustment for Change in Indirect Costs	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>0</u>	<u>n/a</u>
Final Recommendation	TBD	TBD	TBD	5,096,415	61.0

Health, Life, and Dental

The Department submitted an updated request in January, 2008, per Committee approved common policy to raise the State contribution for HLD to 90 percent of market for FY 2008-09. The total request of the Department was \$8,033,907 (\$1,878,076 General Fund, \$5,244,728 cash funds, \$257,460 reappropriated funds, and \$655,643 federal funds).

JBC staff approved additional HLD contributions for 21 new FTE approved through DI #1, #1a, and #6a. The additional cost of these FTE was calculated at \$108,108 cash funds by JBC staff.

Staff recommends total funding of \$8,142,015 pursuant to common policy as approved by the Committee and including JBC action on DI #1, #1a, and #6a.

Short-term Disability

Staff recommends total funding of \$131,569 pursuant to Committee common policy, which is comprised of \$28,010 General Fund, \$88,101 cash funds, \$5,256 reappropriated funds, and \$10,202 federal funds. Staff notes that the staff recommendation includes additional funding for 21 FTE totaling \$1,441 cash funds pursuant to Committee action DI #1, #1a, and #6a. Please note that funding split allocations are preliminary.

S.B. 04-257 Amortization Equalization Distribution

Staff recommends total funding of \$1,612,132 pursuant to Committee common policy, which is comprised of \$337,559 General Fund, \$1,084,321 cash funds, \$64,693 reappropriated funds, and \$125,559 federal funds. Staff notes that the staff recommendation includes additional funding for 21 FTE totaling \$17,736 cash funds pursuant to Committee action DI #1, #1a, and #6a. Please note that funding split allocations are preliminary.

S.B. 06-235 Supplemental Amortization Equalization Distribution

Staff recommends total funding of \$750,077 pursuant to Committee common policy, which is comprised of \$152,620 General Fund, \$517,884 cash funds, \$20,717 reappropriated funds, and \$58,856 federal funds. **Staff notes that the staff recommendation includes additional funding for 21 FTE totaling \$8,314 cash funds pursuant to Committee action DI #1, #1a, and #6a.**

Please note that funding split allocations are preliminary.

Also note that the staff calculation builds the entire SAED appropriation in the SAED pots line (0.5 percent for calendar year 2008 and 1 percent for calendar year 2009). The OSPB instructions for Departments were to request only 0.5 percent in the SAED pots line, and the remainder was requested to be placed within personal services lines.

Salary Survey and Senior Executive Service

Staff recommends total funding of \$3,378,225 pursuant to Committee common policy, which is comprised of \$624,902 General Fund, \$2,537,657 cash funds, \$140,496 reappropriated funds, and \$75,170 federal funds.

Performance-based Pay Awards

Staff recommends total funding of \$1,431,138 pursuant to Committee common policy, which is comprised of \$324,273 General Fund, \$1,003,898 cash funds, \$62,301 reappropriated funds, and \$40,666 federal funds.

Shift Differential

Staff recommends total funding of \$19,373 pursuant to Committee common policy, which is comprised of \$5,812 General Fund and \$13,561 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 \$1,261,883 for this line item (see the following table). These changes are summarized in the following table. The source of cash funds and reappropriated funds for this line item are indirect cost recoveries.

Summary of Recommendation – Executive Director's Office Operating Expenses — Department of Natural Resources				
	CF	RF	FF	Total
FY 2007-08 Appropriation	1,060,977	201,957	5,337	1,268,271
Annualize 2007 DI #5 (NEPA Coordinator)	0	(6,388)	0	(6,388)
Total Recommendation	1,060,977	195,569	5,337	1,261,883
Potential Adjustment for Change in Indirect Costs	<u>TBD</u>	<u>TBD</u>	<u>0</u>	<u>0</u>
Final Recommendation	TBD	TBD	5,337	1,261,883

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.**

Administrative Law Judge Services

The staff recommendation 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.

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.

Replacement Vehicles. Staff recommends replacing 196 of the 201 vehicles requested by the Department, which are projected to have odometer readings exceeding 100,000 miles by March 2009.

New Vehicles. Staff also recommends 16 new vehicles and \$16,671 pursuant to the following decision items.

Vehicle Lease Payments						
Decision Item	Recommendation					
	GF	CF	RF	FF	Total	No.
DI #1; BA#1a (OGCC Environmental Staff)	0	11,763	0	0	11,763	8
DI #15 (Inactive Mine Reclamation)	0	0	0	5,297	0	4
DI #2 (CWCB Drought Planning)	0	1,227	0	0	1,227	1
DI #4 (DWR Republican River Compact)	2,454	0	0	0	2,454	2
DI #10 (CWCB Hydrographer and Vehicle)	0	1,227	0	0	1,227	1
Total	2,454	14,217	0	5,297	16,671	16

All of the figures requested reflect 4 months of lease payments in FY 2008-09. Staff did not use the Department's requested dollars for the vehicles above but instead used Department of Personnel calculations submitted through a January 2008 Department of Personnel Non-prioritized Budget Amendment #4.

Appropriation Pending. **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 \$1,147,481 for this line item, which is comprised of \$492,842 General Fund, \$372,228 cash funds, \$259,123 cash funds exempt, and \$23,228 federal funds. This line item pays the Department's various leased space contracts all over Colorado. The request includes a number of decision items, and it includes a 1.7 percent leased space escalator.

Leased Space					
Line Item	Request				
	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total
FY 2007-08 Appropriation	487,039	355,538	91,832	23,139	957,548
DI #1, #1a and 6a	0	86,163	0	0	86,163
DI #2 (CWCB Drought)	0	0	3,570	0	3,570
DI #10 (CWCB Hydrographer)	0	0	3,570	0	3,570

Leased Space					
Line Item	Request				
	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total
DI #14 (DRMS Durango Lease)	0	4,755	0	1,585	6,340
BA #18a (DOW Lease to Pots)	0	0	160,151	0	160,151
Lease Escalator (1.7%)	<u>5,803</u>	<u>11,935</u>	<u>0</u>	<u>(1,436)</u>	<u>16,302</u>
Total	492,842	458,391	259,123	23,288	1,233,644

Department of Natural Resources - Leased Space		
	FY 2007-08 Appropriation	FY 2008-09 Request
	Total by Division	Total by Division
Reclamation, Mining, and Safety	57,357	65,085
Geological Survey	12,600	12,600
Oil & Gas Commission	231,259	332,012
State Land Board	44,925	44,449
Division of Parks	60,839	62,067
Water Conservation	57,644	58,300
Water Resources	492,924	498,158
Wildlife	0	160,151
TOTAL	\$957,548	\$1,232,822
General Fund	487,039	495,319
Cash Funds	355,538	714,215
CFE / RF	91,832	0
Federal Funds	23,139	23,288

Staff recommends an appropriation of \$1,232,822 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 2007-08 Appropriation	487,039	447,370	0	23,139	957,548
DI #1, #1a and 6a (OGCC)	0	86,163	0	0	86,163
DI #2 (CWCB Drought)	0	3,150	0	0	3,150
DI #10 (CWCB Hydrographer)	0	3,150	0	0	3,150
DI #14 (DRMS Durango Lease)	0	4,755	0	1,585	6,340
BA #18a (DOW Lease to Pots)	0	160,151	0	0	160,151
Lease Escalator (1.7%)	<u>5,803</u>	<u>11,953</u>	<u>0</u>	<u>(1,436)</u>	<u>16,320</u>
Total	492,842	716,692	0	23,288	1,232,822

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 2008-09 is comprised of 69,107 square feet at 1313 Sherman Street as summarized below.

Department of Natural Resources - Capitol Complex Leased Space									
	FY 2007-08 Appropriation			FY 2008-09 Request			FY 2007-08 Recommendation		
	Sq. Ft.	Rate	Total	Sq. Ft.	Rate	Total	Sq. Ft.	Rate	Total
Executive Director	13,552	\$12.61	\$ 170,836	13,552	\$12.52	\$ 169,705	13,552	TBD	TBD
Mining, Reclam., & Safety	13,682	\$12.61	172,475	13,682	\$12.52	171,333	13,682	TBD	TBD
Geological Survey	6,808	\$12.61	85,821	6,808	\$12.52	85,253	6,808	TBD	TBD
State Land Board	5,423	\$12.61	68,362	5,423	\$12.52	67,910	5,423	TBD	TBD
Division of Parks	7,212	\$12.61	90,914	7,212	\$12.52	90,313	7,212	TBD	TBD
Water Conservation	5,178	\$12.61	65,274	5,178	\$12.52	64,842	5,178	TBD	TBD
Water Resources	17,252	\$12.61	217,478	17,252	\$12.52	216,039	17,252	TBD	TBD
TOTAL	69,107		\$871,159	69,107		\$865,395	69,107		Pending
General Fund			244,752			243,133			Pending
Cash Funds			403,721			401,050			Pending
Cash Funds Exempt			117,297			116,521			Pending
Federal Funds			105,389			104,691			Pending

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 2008-09 for this purpose. **Staff recommends the request for no funding for this line item in the FY 2008-09 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.

This legislation does not affect FY 2008-09. The Department did not request an appropriation for FY 2008-09. The Department noted in the November budget request that the Department anticipates asking for additional spending authority for the Species Conservation program through a special in FY 2008-09. **Staff recommends the request for no funding for this purpose.**

(6) PARKS AND OUTDOOR RECREATION

The Division of Parks and Outdoor Recreation manages approximately 41 established parks, 6 new park projects, and various recreation programs throughout Colorado. Management responsibilities includes 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 has increased the daily pass fee from \$5 to \$6. This fee increase will be 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.

Decision Items. The Division of Parks and Outdoor Recreation has requested three decision items for FY 2008-09.

1. Priority DI #5 requests \$377,317 total funds, including \$178,664 General Fund and \$198,653 cash funds (Parks and Outdoor Recreation Cash Fund). This request is related to an increase in utilities costs and fleet vehicle operating expenses charged by the Department of Personnel.
 2. Priority BA #16a requests additional spending authority of \$301,040 cash funds (Snowmobile Recreation Fund) and 1.3 FTE to account for an increase in resident snowmobile registration fees from \$20.25 to \$30.25 effective September 2007. The Department is requesting the additional FTE for grants administration and expanded safety education programs.
 3. Priority DI #18 requests the transfer of \$126,780 from Lottery funds to be transferred to a special purpose line within the Parks appropriation to fund the purchase of law enforcement equipment for full time staff.
- Decision Item #5— State Parks Utilities.** The Department of Natural Resources has requested an appropriation of \$377,317 total funds, including \$178,664 General Fund and \$198,653 cash funds (Parks and Outdoor Recreation Cash Fund). The Department requests these funds in order to cover an increase in utilities costs as well as vehicle operating expenses. The request is summarized in the following table.

Object Name	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 04 to FY 07 Increase
Utilities Costs*	826,620	947,775	1,044,747	1,148,184	321,564
% Growth		14.7%	10.2%	9.9%	38.9%
Increase Attributable to New Facilities DIs FY 07 and FY 08 Requests					(126,502)

Object Name	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 04 to FY 07 Increase
Revised Utilities Request					\$195,062
Vehicle Variable Costs	428,893	480,448	542,712	675,403	246,510
		12.0%	13.0%	24.5%	57.5%
Increase Attributable to New Facilities DIs FY 07 and FY 08 Requests					(44,265)
Revised Vehicle Variable Costs Request					\$202,245
Total Need					\$397,307
Total Request					\$377,317

*Utilities costs include water and sewerage, bottled gas, electricity, and natural gas.

Department Justification for the Request. The Division has 41 parks located throughout Colorado, in locations ranging from the major urban centers to rural locations. Many parks, particularly those in rural areas and smaller communities, only cover 45 - 50 percent of their operating costs with user fees. As of FY 2005-06, there are 12 parks that collect less than 50 percent of their operating costs. For this reason, the Department is requesting that the General Fund cover 47.4 percent of the requested increase in funding and the remainder be covered by the Parks Cash Fund. The Parks Cash fund is estimated to have a \$373,017 cash reserve at the end of FY 2008-09, a decrease of \$137,250.

The Department provided data shows that **utilities costs** have increased 38.9 percent since FY 04, of these, the Department attributes 22.6 percent growth to inflationary increases and 16.3 percent growth related to decision items.

The Department provided data shows that **vehicle variable costs** (fuel and maintenance) have increased 57.5 percent since FY 04, of these, the Department attributes 47.2 percent growth to inflationary increases and 10.3 percent growth related to decision items.

The Department states that if it were to have to absorb these costs, the Department will do that by decreasing usage, which would entail closing campsites for a period of the camping season. This the Department claims would decrease visitation and revenues to the Department as well as to local communities.

Staff Recommendation. Staff recommends the Department's request.

State Park Operations

State Park Operations Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Management	9.7	10.0	10.0	10.0
Administration	48.4	54.6	52.6	52.6
Accounting and Financial Services	5.3	7.0	7.0	7.0
Information Technology	3.5	5.5	5.5	5.5
Park Managers	120.0	127.0	122.5	122.5
Engineers and Technicians	43.0	54.5	54.5	54.5
Other Professions	<u>5.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>
Total	234.9	266.6	260.1	260.1

Recommendation. Staff makes the following recommendations regarding the "State Parks Operations" line item:

1. Reduce one time capital outlay expenses of \$39,956 cash funds related to FY 08 DI #9 and increase by 0.5 FTE to annualize staff;
2. Reduce one time capital outlay expenses of \$10,005 cash funds and \$3,005 federal funds related to FY 08 DI #10 (State Parks Operations 12.5 FTE) and increase by 0.5 FTE to annualize staff. Staff does not recommend an increase of \$24,108 General Fund as requested by the Department to annualize the FTE. The requested General Fund increase is not listed in the out year impact of the original request (DI #10, Schedule 6);
3. Reduce GOCO funding by \$1,244,000 and 6.5 FTE. This reduction was requested by the Department in order to correct a technical error that double counted GOCO FTE and funds that were already being reported in the "(B) Great Outdoors Colorado Board Grants" section of the Long Bill;
4. Increase the operating portion of the budget by \$377,317 total funds, including \$178,664 General Fund and \$198,653 Parks cash funds in order to account for an increase in utilities and vehicle operating costs (fuel and maintenance) per DI #5 request;
5. Calculate the remainder of the request using Committee approved personal services common policies.

Summary of Recommendation – Division of Parks & Outdoor Recreation State Park Operations — Department of Natural Resources					
	GF	CF	FF	Total	FTE
Personal Services (Estimate)	4,930,809	13,907,481	0	18,838,290	266.6
Operating Expense & SWP (Estimate)	<u>535,352</u>	<u>5,236,524</u>	<u>448,394</u>	<u>6,220,270</u>	—
FY 2007-08 Appropriation	5,466,161	19,144,005	448,394	25,058,560	266.6
Annualize FY 08 DI #9 (Parks FTE)	0	(39,956)	0	(39,956)	0.5
Annualize FY 08 DI #10 (Parks FTE)	0	(10,005)	(3,005)	(13,010)	0.5
Salary Survey Awarded in FY 07-08	141,690	330,610	0	472,300	0.0
80 % of Performance pay for FY 07-08	<u>47,857</u>	<u>111,666</u>	<u>0</u>	<u>159,523</u>	<u>0.0</u>
Continuation Estimate	5,655,708	19,536,320	445,389	25,637,417	267.6
Common Policy Reduction (1.0%)	(51,204)	(142,998)	0	(194,202)	0.0
Reduction to anticipated GOCO Funds	0	(1,244,000)	0	(1,244,000)	(6.5)
DI #5 Utilities and Gas Expenses	178,664	198,653	0	377,317	0.0
Total Recommendation	5,783,168	18,347,975	445,389	24,576,532	261.1

(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 2008-09 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 2008-09 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.

- ❑ ***Budget Amendment #16a— Snowmobile Program.*** The Department requests spending authority totaling \$301,040 cash funds (including \$1,120 for AED and SAED) to be funded from the Snowmobile Recreation Fund, and 1.3 FTE for FY 2008-09. This request is related to an increase to the resident snowmobile registration fee from \$20.25 to \$30.25 effective September 2007. The JBC approved a FY 2007-08 supplemental for \$302,160 cash funds.

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

- The Colorado Snowmobile Association (CSA) and the State Parks Board have increased the resident snowmobile registration fee in order to start funding the replacement of the current CSA fleet of 41 snowcats. Fifty percent of the current fleet of snowcats is between 9-30 years old.
- Colorado currently averages four snowmobile-related fatalities each year, which is below the national average. The new funding would also be used to support the statutorily mandated snowmobile certification program and to enhance patrol effort to assure safe snowmobiling and registration enforcement.
- The Division requests funding a 0.30 FTE General Professional III that would be responsible for expanded safety education programs, such as rider training and avalanche training. The Department states that Colorado currently ranks number one in Avalanche deaths (per Colorado Avalanche Information Center), this position will conduct two to three safety and enforcement classes in each of the nine districts in Colorado on an annual basis covering the following topics: avalanche safety, rider skill education (mandated by statute), and education and safety training to snowmobilers in Colorado. This is currently being completed by snowmobile clubs and volunteers who lack certification and formal training. Position will also develop additional education materials such as brochures, web based information, and attend trade shows. The position will also help with law enforcement patrols and trail project inspections. The Department state that 0.70 percent of this position will be utilized and funded by the off-highway vehicle program.
- The Division also requests funding a 1.0 FTE Program Assistant I that would be responsible for the individual equipment grants administration and grooming contract work, including processing bills and ensuring that work that is billed is being completed. The position will work with non-profit clubs to set up training classes and issue certifications for safety class completions, generate grant payments and track project progress. The position will also

inventory, purchase and distribute signs, educational materials and safety brochures to clubs and agencies.

Budget Amendment #16a – Snowmobile Program FTE		
Line Item		
	Cash Funds*	FTE
Program Assistant I	35,928	1.0
General Professional III	11,721	0.3
PERA and Medicare	5,528	0.0
AED and SAED requested at EDO level	0	0.0
Operating Expenses	5,507	0.0
Safety, Education and Training	7,500	0.0
Grooming Contracts and Equipment	<u>234,856</u>	0.0
Total	301,040	1.3

* Snowmobile Recreation Fund

Staff Recommendation. Staff recommends the Department's request for \$1,003,878 and 1.3 FTE. Staff notes that the Committee approved the Department's FY 2007-08 supplemental request for the increased funding. The Department is requesting the additional FTE described above starting with FY 2008-09. Staff is not recommending the extra costs related to AED and SAED in the EDO.

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 \$379,124 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.

Summary of Recommendation – (6) Parks & Outdoor Recreation Off-Highway Vehicle Program — Department of Natural Resources		
	Cash Funds	FTE
Personal Services (estimate)	194,921	3.0

Summary of Recommendation – (6) Parks & Outdoor Recreation Off-Highway Vehicle Program — Department of Natural Resources		
	Cash Funds	FTE
Operating Expense (estimate)	176,976	—
FY 2007-08 Appropriation	371,897	3.0
Salary Survey Awarded in FY 2007-08	5,537	—
80 % Performance pay awarded on FY 2007-08	1,690	—
FY 2006-07 Base Appropriation	379,124	3.0
Common Policy Reduction (1.0 percent)	0	—
Total Recommendation	379,124	3.0

Federal Grants

The Department anticipates the receipt of \$518,516 federal funds in FY 2008-09 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

Staff recommends the request for elimination in State Lottery proceeds of \$175,000 cash funds for FY 2008-09. 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 contains Footnote 106, which directs the Division to provide the JBC with a status report on the deployment of the Voice Over Internet Protocol (VOIP) System. The report is due by June 30, 2008. If the Department submits such a report, staff will brief the Committee during the fall of 2008 on the costs and savings from implementing the VOIP system.

LAW ENFORCEMENT EQUIPMENT

- **Decision Item #18— Law Enforcement Equipment.** The Department requests the creation of a new line item titled "Law Enforcement Equipment" within the Special Purpose section of the Division. The Department is requesting \$126,780 Lottery funds in order to fund state parks ranger equipment.

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

- In previous years, this expense has been supported through funding allocated from the Major Repairs and Minor Improvements capital equipment line, due to the high cost and long life expectancy of the equipment. This decision item request would create a specific line item in the Division budget for new ranger equipment. The Department claims that this would improve budget management and accountability. The Department also states that moving this funding out of Capital Construction and into the Long Bill would more accurately reflect the Capital Outlay nature of the equipment purchased.
- The Department states that it has an average annual ranger turnover of 10 each year. Equipping each ranger costs \$3,468 (total of \$34,680). The body armor vests have to be replaced every 5 years due to manufacturer recommendations. The Department replaces 25 pieces of body armor each year (there are currently 126 rangers) at a cost of \$660 (total of \$16,500). In addition, the cost to provide uniforms to rangers is \$600 per year (total of \$75,600).

Below is the definition of "capital outlay" as contained in S.B. 07-239:

(1)(a) "Capital outlay" means:

(I) Equipment, furniture, motor vehicle, software, and other items that have a useful life of one year or more;

(II) Alterations and replacements, meaning major and extensive repair, remodeling, or alteration of buildings, the replacement thereof, or the replacement and renewal of the plumbing, wiring, electrical, fiber optic, heating, and air conditioning systems therein;

(III) New structures, meaning the construction of entirely new buildings, including the value of materials and labor, either state-supplied or supplied by contract;

(IV) Nonstructural improvements to land, meaning the grading, leveling, drainage, irrigation, and landscaping thereof and the construction of roadways, fences, ditches, and sanitary and storm sewers.

(a) "Capital outlay" does not include those things defined as capital construction by section 24-75-310, Colorado Revised Statutes.

Staff Recommendation. Staff recommends the Department's request. Staff believes that the Department's request meets the definition of capital outlay contained in (1)(a)(I).

Indirect Cost Assessment

Staff recommends the Department's total request of \$1,346,673 for the purpose of indirect cost recoveries, which is comprised of \$1,283,850 cash funds and \$62,823 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.

Recommended Funding Mix. This Administration section of the Colorado Water Conservation Board is "bottom line" funded. The Board requests, that the funding reflect a continuation level of \$339,777 cash funds (\$296,027(T) from the Division of Wildlife, and \$43,750 from the Operational Account of the Severance Tax Trust Fund. The remaining amount is recommended to come from reserves in the Colorado Water Conservation Board Construction Fund.

The Colorado Water Conservation Board has submitted the following four requests for the JBC's consideration for FY 2008-09:

- DI #2 - 1.0 FTE Physical Science Researcher to coordinate all drought planning, mitigation, and response activities for the Office of Water Conservation and Drought Planning. 0.5 FTE Program Assistant to handle increased volume of grant applications associated with the Water Efficiency Grant Program. Additional vehicle to perform duties.
- DI #10 - 1.0 FTE Hydrographer to manage the CWCB stream gaging needs, including the management of the recently authorized Stream Gaging Fund.

- DI #13 - Two additional staff, to be funded within existing funds, to assist in the implementation of the Water for the 21st Century Act and the Water Supply Reserve Account.

(7) Water Conservation Board Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Director / Deputy	2.0	2.0	2.0	2.0
Administration	4.7	6.0	6.0	6.0
Water Supply Protection	6.0	5.0	5.0	5.0
Water Supply Planning and Finance	7.0	7.0	7.0	7.0
Office of Water Conservation	2.2	3.5	5.0	4.0
Flood Protection	5.0	6.0	6.0	6.0
Intrastate Water Mgmt. & Dev.	2.0	2.7	4.7	4.7
Stream and Lake Protection	5.5	6.0	7.0	7.0
Water Information	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Total	39.4	43.2	47.7	46.7

(A) Administration

Personal Services

The Department requests an appropriation of \$2,968,248 total funds and 31.0 FTE.

- ❑ **Decision Item #10— Hydrographer and Vehicle to Manage Stream Gaging Activities.**
The Department is requesting a senior level hydrographer to manage the agency stream gaging needs including installation, operation, and maintenance of new CWCB stream gages. The Department is also requesting a vehicle and leased space for the new staff. In particular, the FTE will perform duties related to stream hydrography requirements related to instream flow protection, compact compliance and protection, decision support system analyses and modeling, and floodplain management.

Summary of Request – (7) Water Conservation Board Personal Services — Department of Natural Resources		
	Total Funds	FTE
FY 2007-08 Appropriation	2,769,220	30.0
Annualize Salary Survey Awarded in FY 2007-08	83,033	—
Annualize Performance Awards in FY 2007-08 at 80 %	28,805	—
SAED Annualization	6,118	—

Summary of Request – (7) Water Conservation Board Personal Services — Department of Natural Resources		
	Total Funds	FTE
Continuation Estimate	2,887,176	30.0
Common Policy Personal Services Reduction (0.2%)	(5,774)	—
DI #10 CWCB Hydrographer	<u>86,847</u>	<u>1.0</u>
Total Request	2,968,249	31.0

The request is calculated based on a Professional Engineer II's salary of \$77,820; PERA \$7,899; and Medicare \$1,128.

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

Instream Flow Water Rights

The CWCB has appropriated over 1,500 instream flow (ISF) water rights covering over 8,000 miles of stream within the state. The CWCB has a legal requirement pursuant to Section 37-92-502 (5) (a), C.R.S., to install stream gages in order to administer rights within Colorado's priority system. The Department states that most of USGS and DWR gages are located on main stem streams whereas the majority of ISF rights are located on smaller tributaries. In addition, USGS and DWR gages are not typically designed to operate during the winter months. ISF rights are decreed for year-round protection of the natural environment and winter flow monitoring is often necessary.

Floodplain Protection

The CWCB needs to have gages in specific locations for the development of floodplain hydrology to assist in the prevention of flood damages. Many of the gages are either not properly located to achieve the desired objectives or need to be "hardened" so that they are not washed away during a flood event.

Compact Protection

Many of Colorado's compact administration gages should be handled through the USGS National Streamflow Information Program (NSIP). Although this federal program will pay for 100 percent of the costs of operating a stream gage, inadequate funding for the NSIP program may eventually threaten Colorado's ability to meet compact obligations.

Decision Support System

CWCB has to continue to build upon its Decision Support System (DSS) - a tool that helps water users to conserve, develop, protect and manage water resources. However, the DSS system is heavily dependent upon gage data. The Division of Water Resources has been unable to devote the staff to meet these CWCB needs. In addition, is dropping gages in Colorado because of funding limitations.

Over the years the Department has relied on a network of stream gages operated and maintained by the US Geological Survey and the Division of Water Resources. However, the CWCB's needs are not being met by the USGS or the DWR. The number of gages in Colorado has been decreasing, in fact, the USGS has been decommissioning gages, nine have been scheduled to be decommissioned this year.

The DWR operates a system of approximately 400 satellite gages throughout the state for the purpose of administering water rights in Colorado. These gages are not adequate for CWCB programs because their primary purpose is for administrative purpose during the low flow irrigation season. As mentioned above, these gages do not meet CWCB's program needs where data is needed during high flow periods, in the winter months, or on smaller tributaries.

Recently, a Stream Gaging Fund of \$250,000 was authorized under Section 37-60-124.4, C.R.S., as part of the 2007 Projects Bill. This fund provides a mechanism to pay for gaging equipment and the operation and maintenance of some gages, it does not provide funding for an FTE.

Furthermore, the CWCB states that the USGS costs for maintaining a gage are around \$14,000 per year. The Division of Water Resources maintenance costs are approximately \$7,500 per year. One of the reasons for the significantly higher costs has to do with the larger overhead structure of the federal government. The Department's argument is that hiring a hydrographer to maintain these gages in house will save the state funds that could be used to build/maintain additional gages. Based on the numbers provide by the Department, using the Stream Gaging Fund revenues, the USGS can maintain/operate 15 gages for the State, if the maintenance was brought in house, the State could operate 33 gages.

Staff Recommendation. Staff recommends the Department's request based on the calculation table below. Staff has excluded AED and SAED calculations for the EDO pots for the first year pursuant to common policies for calculating additional FTE. Staff does not recommend the vehicle parking garage request for \$420.

Summary of Recommendation – (7) Water Conservation Board Personal Services — Department of Natural Resources		
	Total Funds	FTE
FY 2007-08 Appropriation	2,769,220	30.0
Annualize Salary Survey Awarded in FY 2007-08	83,033	—
Annualize Performance Awards in FY 2007-08 at 80 %	28,805	—
Continuation Estimate	2,881,058	30.0
Common Policy Personal Services Reduction (1.0 %)	(28,811)	—
DI #10 CWCB Hydrographer	<u>86,847</u>	<u>1.0</u>
Total Recommendation	2,939,094	31.0

Operating Expenses

The Department requests a continuation appropriation of the FY 2008-09 operating expenses appropriation in the amount of \$89,994. In addition, the Department is requesting operating expenses for two decision items: DI #2 in the amount of \$2,184 (variable fuel and maintenance vehicle costs) and DI #10 in the amount of \$7,849 (includes office equipment for \$4,405 and Variable fuel and maintenance vehicle costs for \$3,444). The total request for the operating expenses line is \$100,027.

Staff recommends the Department's request of \$100,027 total funds.

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
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.

- ❑ ***Decision Item #7— Compact Dues Increase.*** The Department of Natural Resources has requested an appropriation of \$19,904 cash funds (reserves in the Colorado Water Conservation Board Construction Fund) for FY 2008-09. This decision item includes requested adjustments for Interstate Compacts to pay an increase in dues assessed by 1). the Arkansas River Compact Administration Association (ARCA), 2). the Upper Colorado River Commission, and 3). the Colorado River Salinity Control.

Based on the budget adopted by ARCA, Colorado's portion of the Arkansas River Compact Administration Assessed dues will increase by \$8,400, to a total of \$57,600, which represents Colorado's 60 percent portion of the assessed dues. The Upper Colorado River Commission dues will increase by \$5,178, bringing the total dues to \$170,258. The Colorado River Salinity Control Forum's estimated budget will increase Colorado's assessed dues by \$6,326, which will bring Colorado's dues to \$37,028, which represents Colorado's 20.1 percent portion of the program.

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

- The reason for the increase in ARCA dues is to make assessments more closely aligned with expenditures and to provide funds to undertake the necessary studies and actions to implement the settlement in the Kansas vs. Colorado litigation. The 60 / 40 split of assessments between Colorado and Kansas is specified in the Compact, is state law, and is based on the relative allocation of water between the states.
- The implementation program for salinity control in the Colorado River Basin, a federal and state partnership, has grown by nearly 200 percent in the last five years, reflecting an increase in coordination efforts and the number of projects required to control the salinity of the river. For the past five years, the Salinity Control Forum has had a budget deficit, The increase in dues will allow restoration of a small reserve account and eliminate deficit spending in FY 2008-09.
- The dues increase for the Upper Colorado River Commission is as a result of recent Colorado River 7-state negotiations.

Decision Item #7 - Interstate Compact Dues – Request	
Line Item	CFE
Interstate Compacts FY 2007-08 Appropriation	330,433
DI #7 Compact Dues Increase	<u>19,904</u>
Total Request / Recommendation	350,337

Staff believes that it is important for the state to continue to pay its dues for the Interstate Compacts. **Staff recommends approval of the request for an appropriation of \$350,337 cash funds (reserves in the Colorado Water Conservation Board Construction Fund) for FY 2008-09.**

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 2008-09.**

Western States Water Council Dues	
	CFE
FY 2007-08 Appropriation	27,500
Total Request / Recommendation	27,500

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 2008-09 request is for \$535,652 and 5.0 FTE for this program line. **Staff recommends \$534,728 and 5.0 FTE for this program line in accordance with JBC common policy** (see the following table).

Summary of Recommendation – (7) Water Conservation Board River Decision Support Systems — Department of Natural Resources		
	Total Funds	FTE
Personal Services Estimate	424,918	5.0
Operating Expense Estimate	<u>90,235</u>	—
FY 2007-08 Appropriation	515,153	5.0
Annualize Salary Survey Awarded in FY 2007-08	14,879	—
Annualize Performance Awards in FY 2007-08 at 80 %	<u>4,696</u>	—
Continuation Estimate	534,728	5.0
Total Recommendation	534,728	5.0

(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.

In addition, the Department stated in their narrative that in 2006, the Section changed its name from the Water Supply Management, Development, and Implementation Assistance program to the ***Intrastate Water Management and Development*** section. The Department stated that the new name more appropriately reflects the type of work performed and completed. The Department also requests changing the name in the Long Bill in order to reflect the new title of the program.

Staff recommends the request for a continuation appropriation of \$470,980 cash funds (reserves in the Colorado Water Conservation Board Construction Fund) for continuing work on the SWSI project. The funding provides contract dollars for engineering and hydrology experts. Staff also recommends changing the name of this line item to "*Intrastate Water Management and Development.*"

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 2008-09 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 2008-09 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 \$183,278 cash funds exempt and 2.5 FTE for the Water Conservation Program.

- ❑ **Decision Item #2—CWCB Office of Water Conservation and Drought Planning Staff.** The Department of Natural Resources has requested an appropriation of \$88,389 and 1.5 FTE (reserves in the CWCB Construction Fund). The total request is for \$96,848.

Of this amount, the Department requests \$78,667 for personal services for a physical scientist researcher / scientist III; \$4,405 in operating expenses (\$3,500 one-time and \$950 recurring); \$6,940 for travel (two out-of-state trips, 25 instate trips); \$3,150 leased space; \$420 vehicle garage costs (4 months); and \$3,266 vehicle lease.

Summary of Request – (7) Water Conservation Board Water Conservation Program — Department of Natural Resources		
	CFE	FTE
Personal Services Estimate	148,086	2.5
Operating Expense Estimate	<u>34,738</u>	—
FY 2007-08 Appropriation	182,824	2.5
Annualize Salary Survey Awarded in FY 2007-08	3,184	—
Annualize Performance Pay Awarded in FY 2007-08	<u>1,079</u>	—
Continuation Estimate	187,087	2.5
SAED Annualization	325	—
DI #2 CWCB Drought Planning Staff	<u>88,389</u>	<u>1.5</u>
Total Request	275,801	4.0

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

The CWBC's Office of Water Conservation and Drought Planning has a broad statutory mission that focuses on two distinct program areas - *Water Conservation* and *Drought Response and Mitigation*. Section 37-60-124, C.R.S., was expanded by H.B. 04-1365 and requires the Office to promote drought mitigation planning by acting as a repository for drought mitigation planning information; disseminating drought mitigation planning information ; providing technical assistance to water providers, local government entities, and State agencies as they plan for, evaluate, and implement drought mitigation plans; and evaluate drought to prepare for water-related emergencies.

A drought mitigation plan defines conditions under which a drought induced water supply emergency exists, specifying the actions that should be taken in response.

In contrast, a water conservation plan is a key element of overall water resources planning. The objective of water conservation is a long-term increase in the productive use of water supply in order to satisfy water supply needs without compromising desired water services.

The Office of Water Conservation and Drought Planning stated in their responses to staff questions that they did not fully appreciate the effort that would have to be undertaken by the Office in order to fully implement a substantially increased mission and role. The CWCB also did not fully realize the resources that would be needed to monitor, track, and analyze climate and water supply

conditions around the State and inform decision makers, including the Governor's Office, on the status of water supply availability under drought conditions.

The Department states that an added responsibility is the creation of a State Drought Mitigation and Response Plan. Part of the State's effort to develop a new and comprehensive State Drought Plan will involve developing methods for analyzing the State's risk and vulnerability to different levels of water supply shortages. The Department states that this is something completely new that was not anticipated when the statutory mission of the Office was changed through H.B. 04-1365.

In addition, the Department states that a key part of Governor Ritter's Colorado Climate Action Plan addresses a water adaptation strategy which includes the Department assuming a large role in climate change scientific investigation, analysis of water rights and compacts, comprehensive drought planning, information exchange, and education.

The Department proposes that the new **1.0 FTE (Physical Science Researcher/Scientist III)** position would coordinate all drought planning, mitigation, and response activities for the OWCDP. Duties would include:

- Provide drought planning assistance to local and state government entities, as well as water providers statewide;
- Provide drought technical assistance by developing drought planning technical tools;
- Continue the State's efforts to monitor the status of drought preparedness and vulnerability through frequent and consistent efforts, such as the Colorado Drought and Water Supply Assessment, to coordinate with local and regional water providers;
- Participate in the National Integrated Drought Information System as Colorado's State representative;
- Interact and coordinate with the State Climatologist, NOAA, and other state and federal agencies carrying out drought conditions monitoring, climate forecasting, and drought research;
- Participate in efforts to develop a State Drought Decision Support System;
- Coordinate the Phase II revision of the Colorado Drought Mitigation & Response Plan;
- Provide support to the Water Availability Task Force;
- Develop and conduct drought planning and response education & outreach initiatives;
- Participate in water adaptation projects and initiatives resulting from a statewide climate change action plan;
- Coordinate with other western states on drought planning and mitigation activities.

The Department anticipates that this position will also travel extensively throughout the state. Currently the CWCB has three assigned vehicles. The Department reported that two of the vehicles accrued over 42,669 miles during FY 2006. The Department requests a new vehicle with this FTE to be used by the new FTE and other Division FTE to attend meetings around the State and go to site visits at various state locations. The Department states that the nature of the work that the division is tasked with performing involves extensive traveling. This is also evident in the travel expenses

request, the Department anticipates that the new FTE will make 2 out-of-state trips in order to attend various water conservation related trainings. The FTE is also expected to make 25 instate trips to provide technical assistance and training all over the State.

The Department is also requesting associated leased space for the new FTE as it states that it does not have existing space within the CWCB Sherman Street and Logan Street offices. At \$18 per square foot, the Department estimates that 175 square feet of office space would cost \$3,150.

The Division currently has a **0.5 FTE Grants Coordinator**. The request is to increase this position to a full-time FTE. However, the request does not include associated funding as the Division will use existing resources that were being utilized to hire part-time and contract personnel. Increasing the position to a full-time FTE will allow the OWCDP to meet increasing demand for water conservation planning and implementation, as well as education and outreach grant-funded projects. The 0.5 FTE Program Assistant I position will continue assisting with several important program activities including:

- Assist in the receipt of grant applications, information management, and administrative tracking of activities and projects associated with the Water Efficiency Grant Program created under H.B. 05-1254 and amended by S.B. 07-008;
- Provide support role to water conservation and drought mitigation planning and implementation activities of the OWCDP including participation in and preparation for workshops, meetings, and conferences;
- Assist in the updating of web materials regarding the Water Efficiency Grant Program and other OWCDP and CWCB related programs; and
- Assist with public education and outreach to ensure broad information exchange between toe OWCDP and Colorado water providers and citizens, including statewide messaging project efforts.

Staff Recommendation. Staff recommends the Department's request for additional 1.5 FTE to address increased workload related to drought mitigation and water conservation initiatives. However, the staff calculation for personal services is based on the current FY 2007-08 compensation for the Scientist III. Staff does not recommend car rental expenses and vehicle reimbursement expenses, staff feels that the new vehicle approved should be utilized on trips instead of spending on car rentals. Staff does not recommend the vehicle parking costs. Staff does not recommend AED and SAED appropriations for FY 2008-09.

Summary of Recommendation– (7) Water Conservation Board Water Conservation Program — Department of Natural Resources		
	CF	FTE
Personal Services Estimate	148,086	2.5
Operating Expense Estimate	<u>34,738</u>	—
FY 2007-08 Appropriation	182,824	2.5
Annualize Salary Survey Awarded in FY 2007-08	3,184	

Summary of Recommendation– (7) Water Conservation Board Water Conservation Program — Department of Natural Resources		
	CF	FTE
Annualize Performance Pay Awarded in FY 2007-08	<u>1,079</u>	—
Continuation Estimate	187,087	2.5
DI #2 Scientist III	74,781	1.0
DI #2 Grants Coordinator	0	0.5
DI #2 Operating Expenses	4,405	0.0
DI #2 Travel	4,275	0.0
Total Recommendation	270,548	4.0

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 made changes to the Water Efficiency Grant Program. Prior to passage of S.B. 07-8, 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 bill transfers \$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.

The bill extends for three years the annual appropriation from the Water Efficiency Grant Program Cash Fund of up to \$500,000 to provide grants. It also appropriates 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 does not recommend the request for \$600,029 and 1.0 FTE cash funds from the Water Efficiency Grant Program Cash Fund for FY 2008-09. Staff recommends an appropriation of \$550,000 cash funds, of which the Department shall use \$500,000 for grants and \$50,000 for administrative costs, pursuant to Section 37-60-126 (12) (a), C.R.S. Pursuant to the intent of H.B. 05-1254 and S.B. 07-8, this program falls under the Water Conservation Program office. However, staff has not recommended consolidating the funding into that line item given that the funding mechanism for this program will sunset in FY 2011-12, staff feels it is more conducive to continue to fund this program through a separate line item.

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.** Current estimates place the FY 2007-08 ending balance of the Operational Account of the Severance Tax Trust Fund at a deficit of \$6.7 million.

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 specifies 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.

The Department requests an appropriation of \$1,114,101 and 3.7 FTE for FY 2008-09.

- **Decision Item #13—CWCB Water Management and Development Section Staff.** The CWCB has requested an increase of appropriated FTE by 2.0 FTE, including leased space and operating costs for the FTE, to assist in the implementation of the Water for the 21st Century Act and the Water Supply Reserve Account (created by SB 06-179).

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

The Department states that current efforts by the State have relied on technical contractors to perform more administrative tasks, which is not cost effective. The Department provides its analysis below:

Physical Science Researcher / Scientist I:

Physical Science Researcher / Scientist I:	
Scientist I salary and benefits	\$57,519
Average contract cost for junior scientist/engineer (2,080 hrs *\$80/hr)	\$166,400
Savings	\$108,881

The Physical Science Researcher / Scientist I position will perform the following duties:

- review and technical analysis of grant applications from the Water Supply Reserve Account (WSRA);
- assist in the development and approval of scopes of work to be utilized in the contracting and purchase order process for successful grant applicants;
- assist in monitoring and verification of work products completed by the successful grant applicants; and
- provide assistance to the CWCB, Director of Compact Negotiations, and Basin Roundtables in the implementation, refinement, and completion of basin-wide needs assessment required under the Water for the 21st Century Act.

Program Assistant I:

Physical Science Researcher / Scientist I:	
Scientist I salary and benefits	\$40,096
Average contract cost for junior scientist/engineer (2,080 hrs *\$21.13/hr)	\$43,950
Savings	\$3,854

The Program Assistant I position will perform the following duties:

- liaison and support role to Basin Roundtables to help with meeting logistics and attend select Basin Roundtable meetings to provide consistent input to and feedback from the Roundtables;

- assist in updating web materials regarding both the Water for the 21st Century Act and CWCB related programs;
- assist with public outreach to ensure broad information exchange between the roundtable process and affected stakeholders; and
- assist in the receipt of grant applications, information management, and administrative tracking of activities and projects associated with the Water Supply Reserve Account created under SB 06-179.

Staff recommendation. Staff recommends funding the Department's request for 2.0 additional FTE. Staff's calculation for the FY 2008-09 appropriation is shown in the table below.

Summary of Recommendation– (7) Water Conservation Board Interbasin Compacts— Department of Natural Resources		
	CF	FTE
Personal Services Estimate	121,332	1.7
Operating Expense Estimate	<u>987,093</u>	—
FY 2007-08 Appropriation	1,108,425	1.7
Annualize Salary Survey Awarded in FY 2007-08	4,193	—
Annualize Performance Pay Awarded in FY 2007-08	<u>1,377</u>	—
Continuation Estimate	1,113,995	1.7
DI #13 CWCB Water Mgmt. & Development Staff	0	2.0
Total Recommendation	1,113,995	3.7

Platte River Basin Cooperative Agreement

In July 1997, Colorado became a participant in the Platte River Endangered Species Cooperative Agreement between Colorado, Nebraska, Wyoming, and the U.S. Department of Interior. The Agreement was established to provide a basin-wide framework for protection and restoration of various endangered species habitats along the North Platte River. Colorado's participation in the Agreement provides regulatory certainty for existing and future water use and development along the North and South Platte Rivers. The appropriation to this line item is intended to support 1.0 FTE and contract personal services for ongoing administration of the program and Colorado's share of contract technical support. In FY 1998-99, the Department of Natural Resources, Colorado Water Conservation Board requested \$386,104 General Fund and 1.0 FTE to implement what was referred to as a 13 - 16 year basin-wide water and habitat management program for federally protected endangered species. That funding has been decreased over the years, per the Department's initiative, to the current levels, all funded from the Colorado Water Conservation Board Construction Fund. The Platte River Basin Cooperative Agreement involves the development and implementation of the Platte River Memorandum of Understanding (MOU) and the Recovery Program. The states of Nebraska, Wyoming, and Colorado and the U.S. Department of the Interior have entered into a partnership to address endangered species issues affecting the Platte River Basin. The initiative has two main purposes:

(1) to develop and implement a “recovery implementation program” (Program) to improve and conserve habitat for four threatened and endangered species that use the Platte River in Nebraska (the whooping crane, piping plover, lease tern, and pallid sturgeon); and,

(2) to enable existing and new water users in the Platte River Basin to continue without additional actions required (beyond the program) for the four species under the Endangered Species Act. A governance committee with members from the three states, water users, environmental groups, and two federal agencies has been established to implement the Cooperative Agreement.

The Department believes that it is important for Colorado to have adequate representation on these issues, which will ensure the State's ability to protect Colorado’s existing water uses and work toward the development of future water resources. Providing defensible analysis of the issues will help guarantee that Colorado’s long-term interests are represented. Colorado's representation in the Cooperative Agreement is especially important due to the scarcity of water supplies available to South Platte water-users coupled with the endangered species water needs identified by the U.S. Fish and Wildlife Service.

The request is for \$238,862 cash funds exempt from the Colorado Water Conservation Board Construction Fund and 1.0 FTE for FY 2008-09.

The staff recommendation is for the \$238,598 and 1.0 FTE for this program line (see the following table). Historically, this line item has experienced some fluctuations and reversions in prior years; this variation is solely attributable to variable billing from the contractual entity, on a federal fiscal year basis.

Summary of Recommendation – (7) Water Conservation Board Platte River Basin Cooperative Agreement — Department of Natural Resources		
	CFE	FTE
Personal Services Estimate	119,400	1.0
Operating Expense Estimate	<u>114,733</u>	—
FY 2007-08 Appropriation	234,133	1.0
Annualize Salary Survey Awarded in FY 2007-08	3,138	—
Annualize Performance Pay Awarded in FY 2007-08	<u>1,327</u>	—
Continuation Estimate	238,598	1.0
Total Recommendation	238,598	1.0

S.B. 02-87 Colorado Watershed Protection Fund

Senate Bill 02-87 created an income tax checkoff to allow citizens to support local watershed efforts by making a voluntary contribution. **Staff recommends the request for a continuation appropriation of \$119,942 (Colorado Watershed Protection Fund in Section 39-22-2403 (1), C.R.S.).**

Indirect Cost Assessment

The Department requests an appropriation of \$461,627 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 \$461,627.** 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 2008-09.**

(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 63 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 two decision items/budget amendments for FY 2008-09. These initiatives include:

- Priority #3 requests \$82,869 General Fund to address increased vehicle operating expenses.
- Priority #4 requests \$109,179 General Fund and 0.9 FTE to address Republican River Compact compliance.
- Annualization of FY 08 Priority #3 (additional water commissioners), for a decrease of \$34,650 General Fund.
- Annualization of FY 08 Priority #19 (Vehicles), for a decrease of \$9,800.
- Annualization of FY 08 Priority #3a for one-time personal mileage reimbursement, for a decrease of \$93,553 cash funds (Ground Water Management Fund).
- Annualization of FY 08 supplemental for one-time moving costs for Glenwood Springs Office, for a decrease of \$10,000 General Fund.

Personal Services

Division of Water Resources Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
State Engineer, Deputy, Assistants	4.0	4.0	4.0	4.0
Administration (accounting, info. tech., public information, budgeting, records)	24.0	29.0	29.0	29.0
Water Division Staff	164.2	190.2	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>29.2</u>	<u>32.9</u>	<u>32.9</u>
Total	238.2	273.4	274.3	274.3

- **Decision Item #4 — Republican River Compact Compliance.** The Department has stated through its Decision Item request #4 that Kansas is likely to re-file a lawsuit against the State of Colorado for non-compliance with the Republican River Compact settlement from 2001 (*Kansas v. Colorado and Nebraska*, No. 126 Original). In light of the impending lawsuit, the Department is requesting 0.9 FTE and \$109,179 General Fund to partially fund a well measurement program. The Department is also requesting to re-allocate 2.8 FTE internally to offset the remaining costs of the request and fund a total of 4.0 FTE to run the new well measurement program. (see the following table).

The Department estimates that it will need 4.0 FTE (and two vehicles) and \$270,697 to run a new well measurement program subsequent to promulgation of rules and regulations by the State Engineer. Due to budget restraints from the OSPB, the Department is requesting funding for 0.9 FTE and \$109,179 General Fund. The Department is considering funding the remainder of the request through an internal reallocation of water commissioners. The Department has stated that even if the Legislature does not approve the request, it will still reallocate water commissioners into the new well measurement program.

The Department seeks funding to **hire 2.0 FTE (Engineering and Physical Scientist Technician I)**, these FTE will be responsible for the enforcement of the measurement rules, help process variance requests, system complexity reviews, ensure that enforcement actions are verified and properly filed. With approximately 4,000 wells that need to be tested and re-certified every four years, staff will test and certify approximately 1,000 wells per year. Additionally, bi-annual tests may be required to accurately report well pumping of wells.

The Department will seek **staffing internally** for a **Professional Engineer II**, who will be the ground water measurement leader. This position will approve variances to the measurement rules, determine compliance with the rules, analyze data comparing indicated to observed measurements,

and review the operation of and recommend amendments to the rules. The **Engineering Physical Science Assistant III**, will provide field verification for replacement water delivered to the stream or diverted to the recharge site and would also check other aspects of approved replacement plans.

Decision Item #4 – Republican River Compact Compliance					
Division	Line Item	Request		Recommend.	
		General Fund	FTE	General Fund	FTE
Executive Director's Office	AED	1,241	—	0	—
	Supplemental AED	582	—	0	—
	Vehicle Lease Payments	2,056	—	2,454	—
Water Resources Division	Personal Services	(140,727)	(2.8)	(140,727)	(2.8)
	Operating Expenses	(24,670)	—	(24,670)	—
	Republican River Compact Compliance	<u>270,697</u>	<u>3.7</u>	<u>270,697</u>	<u>3.7</u>
Total – Decision Item #4		109,179	0.9	107,754	0.9

* These positions, if approved, will require an additional one month of funding in FY 2008-09. Annualization is also required for vehicle leases.

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

On December 31, 1942, Colorado, Kansas, and Nebraska signed the Republican River Compact. In May 1998, Kansas filed a complaint against Nebraska, claiming that Nebraska had injured Kansas through overuse of ground water in the Republican River Basin. Nebraska countersued Kansas, naming Colorado as a formal party in November 2000. Settlement efforts began between the three states in October 2001 (*Kansas v. Colorado and Nebraska*, No. 126 Original: Second report of the Special Master Vincent McKusick, April 15, 2003).

The ensuing settlement allowed for a five year rolling average compliance period of the Republican River Compact, which ends December 31, 2007. The Republican River Compact allocates 54,100 acre-feet per year to Colorado. However, the amount is adjusted to reflect changing hydrologic conditions. If there is excessive precipitation Colorado’s allocation increases. Conversely, if drought prevails Colorado’s allocation diminishes. During the period 2003-2006, the average annual allocation to Colorado was 22,320 acre-feet.

Within the Republican River Basin in Colorado, surface water ditches irrigate 4,700 acres; ground water irrigates 580,000 acres by 4,000 large capacity irrigation wells; 1.5 million acres are under dry-land farming practices; and 1.8 million acres are in pasture range.

Colorado Historical Actual Allocations and Consumption			
Year	Allocation	Consumption	Compliance /(Non-compliance)
2003	21,420	33,470	(12,050)
2004	21,540	33,670	(12,130)
2005	25,040	35,460	(10,420)
2006	<u>21,260</u>	<u>31,280</u>	<u>(10,020)</u>
Total	89,260	133,880	(44,620)

The table above shows that Colorado has consistently over-used its allocation. The Department has stated that it anticipates hiring an agricultural economist to assist in refining the estimate of the potential penalty that Colorado may be liable for to Kansas. Based on a wide range of estimates, the Department has stated that Colorado's financial penalty may be anywhere between \$10 and \$100 per acre-foot. In attempting to calculate a total liability, the Department provided a projection of how many years it will take to come into compliance if the Department takes certain steps to get into compliance, including funding of current request for additional well measurement and regulation.

Projected Time Frame for Coming Into Compliance		
Year	Compliance /(Non-compliance)	Aggregate Non-Compliance
2007	(8,750)	(53,370)
2008	(8,250)	(61,620)
2009	(7,750)	(69,370)
2010	1,450	
2011	2,650	
2012	3,650	
2013	6,150	

Based on the tables above, the Department estimates that Colorado will be liable for 53,370 acre-feet by December 31, 2007. Based upon a range of \$10 to \$100 per acre-foot, the estimated total dollar amount of liability is \$533,700 to \$5,337,000 for the first five years of non-compliance. In addition to this cost, the Department states that a potential nine-month trial will cost a minimum of \$5 million.

The Department states that the worse case scenario is for the U.S. Supreme Court to order a full curtailment of approximately 4,000 wells/580,000 acres of crop land dominated by corn. This will result in net production loss to the region of \$208,800,000 calculated below:

Yield per acre:

120 bushels/acre of irrigated corn

30 bushels/acre of non-irrigated or dryland corn

90 bushels/acre of corn: net benefit or incremental yield

90 bushels/acre of corn * \$4.00/bushel of corn * 580,000 = \$208,800,000 value of irrigated land

Illegally Diverted Water

The Department states that the loss of 1.5 water commissioners will increase the potential for illegal diversion of water.

The Department estimates that the loss of one water commissioner will result in 7,700 acre-feet of illegally diverted water by junior rights. For 1.5 commissioners, the estimate of stolen water is 11,550 acre-feet. For this estimate, the Department estimates the value of the water upon the assumption that one acre of irrigated land will generate \$200 in income from crop production. One acre of irrigated land typically uses 3 acre-feet of water. At \$66.67 per acre-foot, the estimated value of total crop production lost to the senior water rights owners equals \$770,000.

Reallocation of a part-time hydrographer will limit the Division's ability to make adequate streamflow measurements on the North and South Forks of the Republican River and on the Arikaree River. In addition, the Division will be unable to adequately monitor 300-400 new recharge sites in Water Division 1. The division estimates that monitoring of 20 recharge sites is equivalent to the work required for operation and maintenance of one satellite monitoring gauging station. The estimated benefit of one gauging station is estimate to be \$117,250 per year (an average of 35,000 acre-feet will pass through a satellite monitored streamflow gage. Valuing water at \$66.67 per acre-foot, a single gauge could be valued at 35,000 acre-feet/gage/year * \$66.67 per acre-foot * 5 % improved delivery = \$116,673). Using an annual benefit of \$116,673 per gage, benefits to the state equal approximately \$1.8 million (\$116,673 water value / gage / year * 15 gages = \$1,750,095). The Department argues that the consequences of reallocating the hydrographer could have a negative economic impact of \$1.8 million from diminished surface water administration.

Net Benefit Analysis

Using the calculations above, the Department has shown a proposed net benefit to the request.

According to the Department, even in the worse case scenario, where the State is forced to pay non-compliance penalties, undergo lengthy litigation, and divert 1.5 water commissioners and a part-time hydrographer, the net benefit of the request would be \$195,942,905 (\$208,800,000 crop production -

\$5,337,000 non-compliance liability - \$5,000,000 litigation costs - \$2,520,095 loss of crop production to senior water rights).

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

Summary of Recommendation – (8) Water Resources Division Personal Services — Department of Natural Resources				
	General Fund	CF	Total	FTE
FY 2007-08 Appropriation	17,775,224	515,934	18,291,158	266.4
Annualize Salary Survey Awarded in FY 2007-08	585,388	3,052	588,440	
Annualize Performance Pay Awarded in FY 2007-08	188,721	1,441	190,162	
Annualize FY 08 DI #3 (7 Water Commissioners)	27,468	0	27,468	
Continuation Estimate	18,576,801	520,427	19,097,228	266.4
Personal Services Base Reduction (1.0%)	(185,768)	(5,204)	(190,972)	
DI #4 Republican River Compact Compliance	(140,727)	0	(140,727)	(2.8)
Total Recommendation	18,250,306	515,223	18,765,529	263.6

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.

- **Decision Item #3 — Vehicle Operating Expenses.** The Division of Water Resources request is made up of three components: 1) requests acquisition of seven new vehicles for water commissioners in order to replace use of personal vehicles; 2) funding for rate increase for personal mileage reimbursement; 3) funding for variable fleet rate (fuel and maintenance costs) for use of state vehicles.

Decision Item #3 – Vehicle Operating Expenses			
Division	Line Item	Request	Recommend.
		General Fund	General Fund
Executive Director's Office	Vehicle Lease	6,524	0
Water Resources Division	Operating Expenses	82,869	89,663
	Satellite Monitoring	(976)	0
Total – Decision Item #3		88,417	89,663

Summary of DI #3 Request	Total General Fund
A. Acquisition of New Vehicles	(\$1,246)
B. Finance Rate Increase for Personal Mileage	\$62,599

Summary of DI #3 Request	Total General Fund
C). Variable Rate Increase for State Fleet Vehicles	\$27,064
Total	\$88,417

Staff Analysis

A. Acquisition of New Vehicles

Department Analysis	Annual Miles	Veh. Reimb. Rate/mile	Fleet Rate per mile	Operating Savings/mile	FY 09 Savings	FY 00 Savings
6 Commissioner Vehicles	90,190	0.46	0.234	0.226	(\$6,794)	(\$20,383)
Chief Hydrographer	14,212	0.44	0.234	0.206	(\$976)	(\$2,928)
Vehicle Lease Costs					\$6,524	\$19,572
(Savings)/Costs					(\$1,246)	(\$3,739)

JBC Staff Analysis	Annual Miles	Veh. Reimb. Rate/mile	Fleet Rate per mile	Operating Savings/mile	FY 09 Savings	FY 00 Savings
6 Commissioner Vehicles	90,190	0.46	0.234	0.226	(\$6,794)	(\$20,383)
Chief Hydrographer	14,212	0.44	0.234	0.206	(\$976)	(\$2,928)
Vehicle Lease Costs					\$8,588	\$25,764
(Savings)/Costs					\$818	\$2,453

*JBC Staff analysis is based on updated vehicle lease costs for this decision item submitted by the Department of Personnel as a Budget Amendment in January 2008.

Based on the updated data provide by the Department of Personnel on fleet vehicle lease costs for this decision item, **staff noes not recommend this portion of the decision item.**

B. Finance Rate Increase for Personal Mileage.

	FY 2004-05	FY 2008-09 Base	Increase	% Increase from FY 05	% Increase from FY 09
Personal Mileage Reimbursement Expenditures	\$245,109	\$307,708	\$62,599	26%	20%

The reimbursement rate for 4WD vehicles in 2006 was 0.36 cents per mile. The projected personal reimbursement rate for FY 2008-09 is 0.485 cents per mile. This represents a 34.7 percent increase.

Staff believes that the Department's arguments for a 20 percent increase to its FY 2009 personal mileage reimbursement budget is justified. **Staff recommends this portion of the decision item.**

C. Variable Rate Increase for State Fleet Vehicles

	Annual Miles	Old Cost	New Cost	Projected Increase	% Increase from Old Cost
State Fleet Fuel and Maintenance Costs	1,660,213	\$476,089	\$503,153	\$27,064	6%

According to data provided by the Department of Personnel, State Fleet Program, the Department of Natural Resources vehicles are projected to drive a total of 13 million miles in FY 2007-08. Of these miles, 95 percent are from truck and SUV class vehicles (class code 4 and 10). Between FY 2005 and FY 2008, the variable rate charged by State Fleet for the DNR class 4 vehicles has increased 39.7 percent, the variable rate for the DNR class 10 vehicles has increased 45.4 percent. Between FY 2007 and FY 2008, the variable rate for the DNR class 10 vehicles has increased 5.3 percent (class 10 vehicles account for 73 percent of total miles driven by all DNR vehicles).

Based on the historic increases of the State Fleet variable (fuel and maintenance costs) rates, **staff recommends the Department's request for this portion of the decision item.**

- **Decision Item #4 — Republican River Compact Compliance.** The Department has stated through its Decision Item request #4 that Kansas is likely to re-file a lawsuit against the State of Colorado for non-compliance with the Republican River Compact settlement from 2001 (*Kansas v. Colorado and Nebraska*, No. 126 Original). In light of the impending lawsuit, the Department is requesting 0.9 FTE and \$109,179 General Fund to partially fund a well measurement program. The Department is also requesting to re-allocate 2.8 FTE internally to offset the remaining costs of the request and fund a total of 4.0 FTE to run the new well measurement program.

Staff discussed the entire Decision Item #4 in the Personal Services section of the request above. Staff recommended approval the requested reduction of \$24,670 General Fund in order to refinance the Republican River Compact Compliance Line.

The Committee took action on the decision item in the Personal Services section above. The Committee does not need to take action on this portion again.

Summary of Recommendation – (8) Water Resources Division Operating Expenses — Department of Natural Resources			
	General Fund	CF	Total
FY 2007-08 Appropriation	1,062,896	588,061	1,650,957
FY 08 DI #3 Annualize Mileage Expense	(500)	0	(500)
FY 08 DI #3 Reduction of One-time Capital Costs	(61,618)	0	(61,618)
FY 08 New Vehicles Annualization	(9,800)	0	(9,800)
FY 08 DI #3a Mileage Reimbursement Reduction	0	(93,553)	(93,553)
Annualize Supplemental Moving Costs- Glenwood Spgs.	(10,000)	0	(10,000)
FY 09 DI #3 Vehicle Operating Expenses	89,663	0	89,663
FY 09 DI #4 Republican River Compact Compliance	(24,670)	0	(24,670)
Total Recommendation	1,045,971	494,508	1,540,479

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 2008-09.**

<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. However, based on the Department's request in Decision Item #4, Colorado has not been in compliance with the compact and Supreme Court decision.

The Division requests 316,744 General Fund and 4.7 FTE for this line item.

- **Decision Item #4 — Republican River Compact Compliance.** The Department has stated through its Decision Item request #4 that Kansas is likely to re-file a lawsuit against the State of Colorado for non-compliance with the Republican River Compact settlement from 2001 (*Kansas v. Colorado and Nebraska*, No. 126 Original). In light of the impending lawsuit, the Department is requesting 0.9 FTE and \$109,179 General Fund to partially fund a well measurement program. The Department is also requesting to re-allocate 2.8 FTE internally to offset the remaining costs of the request and fund a total of 4.0 FTE to run the new well measurement program.

Staff discussed the entire Decision Item #4 in the Personal Services section of the request above. Staff recommended approval the requested increase for \$270,697 General Fund and 3.7 FTE.

The Committee took action on the decision item in the Personal Services section above. The Committee does not need to take action on this portion again.

Summary of Recommendation – (8) Water Resources Division Republican River Compact Compliance — Department of Natural Resources		
	General Fund	FTE
FY 2007-08 Appropriation	46,047	1.0
DI #4 Republican River Compact Compliance	<u>270,697</u>	<u>3.7</u>
Total Recommendation	316,744	4.7

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. The request is for \$368,379 total funds and 2.0 FTE for the Satellite Monitoring System for FY 2008-09. **Staff recommends an appropriation of \$369,049 total funds (\$254,160 General Fund) and 2.0 FTE.** The source of the cash funds is the Satellite Monitoring Fund.

- ***Decision Item #4 — Republican River Compact Compliance.*** The Department has stated through its Decision Item request #4 that Kansas is likely to re-file a lawsuit against the State of Colorado for non-compliance with the Republican River Compact settlement from 2001 (*Kansas v. Colorado and Nebraska*, No. 126 Original). In light of the impending lawsuit, the Department is requesting 0.9 FTE and \$109,179 General Fund to partially fund a well measurement program. The Department is also requesting to re-allocate 2.8 FTE internally to offset the remaining costs of the request and fund a total of 4.0 FTE to run the new well measurement program.

Staff discussed the entire Decision Item #4 in the Personal Services section of the request above. Staff did not recommended approval of the requested decrease of \$976 General Fund.

The Committee took action on the decision item in the Personal Services section above. The Committee does not need to take action on this portion again.

Summary of Recommendation – (8) Water Resources Division Satellite Monitoring System — Department of Natural Resources				
	General Fund	CF	Total	FTE
Personal Services (estimate)	153,384	0	153,384	2.0
Operating Expense (estimate)	<u>93,219</u>	<u>115,000</u>	<u>208,219</u>	—
FY 2007-08 Appropriation	246,603	115,000	361,603	2.0
Salary Survey Awarded in FY 2007-08	<u>5,805</u>	<u>(111)</u>	<u>5,694</u>	—
Performance Awards in FY 2007-08	<u>1,752</u>	<u>0</u>	<u>1,752</u>	—
FY 2006-07 Base Appropriation	254,160	114,889	369,049	2.0
Common Policy Reduction (0.5 percent)			<u>0</u>	—
Total Recommendation	254,160	114,889	369,049	2.0

Augmentation of Water for Sand and Gravel Extraction

This line item supports contracts for the evaluation of augmentation plans for extraction of sand and gravel, which are required by Section 37-90-137 (11) (a) and (b), C.R.S. Sand and gravel pit owners (applicants) must submit water augmentation plans. By statute, these plans must be reviewed by the Water Resources Division. Fees are collected from applicants obtaining a well permit for exposing ground water in the process of sand and gravel extraction. House Bill 06-1293 increased fees charged for obtaining a groundwater pumping permit, reactivating a mining operation, reviving an approved but expired water supply plan, and resubmitting a disapproved substitute water supply plan. The bill also 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 2008-09, which includes the Long Bill appropriation of \$35,000 and \$9,400 appropriated pursuant to H.B. 06-1293. **Staff recommends the requested continuation of \$44,400 cash funds for FY 2008-09.** 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 2008-09.

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 \$84,000 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. The request reflects the anticipated (5.5 percent) increase in funding from the federal government (FEMA). **Staff recommends reflecting the \$84,000 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 the *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 \$379,850 Cash Funds Exempt from the Colorado Water Conservation Board Construction Fund and 4.0 FTE for FY 2008-09.

Staff recommends an appropriation of \$379,255 cash funds (Colorado Water Conservation Board Construction Fund) and 4.0 FTE in accordance with the JBC common policy.

Summary of Recommendation – (8) Water Resources Division River Decision Support Systems — Department of Natural Resources		
	Cash Funds	FTE
Personal Services (estimate)	267,300	
Operating Expense (estimate)	<u>99,447</u>	
FY 2007-08 Appropriation	366,747	4.0
Salary Survey Awarded in FY 2007-08	9,489	—
Performance Awards for FY 2007-08	<u>3,019</u>	—
FY 2008-09 Appropriation	379,255	4.0

* *Source:* Colorado Water Conservation Board Construction Fund.

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 2007-08. **Staff recommends the request for a continuing level of funding of \$61,589 cash funds from the Ground Water Management Cash Fund for FY 2008-09.**

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 2008-09.**

Indirect Cost Assessment

The Department requests an appropriation of \$56,670 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 \$56,670.** 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 exempt 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 2008-09.** Rather, the appropriation for CWCB Construction Fund projects will be included in a special bill this session.

(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.

- **Decision Item #16 —Wildlife Management Public Education Advisory Council Education.** The Department requests an additional \$200,000 in cash funds (Wildlife Management Public Education Fund) spending authority for the Wildlife Management Public Education Advisory Council (PEAC). In the 2006 session, the General Assembly approved a one-time appropriation of \$900,000 cash funds to pay for the public information campaign in FY 2006-07. For FY 2007-08, the Committee approved a continuation appropriation.

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

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

Department Justification for the Request. The request is based on the anticipated revenue to the fund and the desire to continue implementing the media campaign that was funded in FY 2006-07 and FY 2007-08. This media campaign is consistent with the statutory objectives established to educate and inform the public about the role that hunting and fishing play in managing healthy wildlife populations. Furthermore, the request is consistent with the statutory objectives of the \$0.75 surcharge that has been established on hunting and fishing licenses.

In FY 2008-09 and beyond, the PEAC Council anticipates continuing the stair-step message approach towards the meeting objective of the media campaign - educating the public on the benefits of wildlife, wildlife management and the role of hunting and fishing plays in effective wildlife management. To facilitate this, the Council foresees that additional spending authority would be required to fund the multi-media campaign. Year 3 will more strongly introduce the link between license buyers and the Division, after the Council has reviewed the proper messaging strategy research from year 2.

Three major communication objectives of the Council for the multi-media campaign are:

1. Develop an annual, cost efficient, statewide media-based education plan that reaches the general public, emphasizing the non-hunter or non-angler, using primarily high impact media vehicles including TV and radio. Other media vehicles may be used as well depending on the recommendation of the advertising agency and media buying agency.
2. Produce materials and strategies as necessary to keep lawmakers, wildlife organizations, outdoor enthusiasts and license buyers informed about WMPEAC activities and programs.
3. Improve the non-consumptive customer's understanding on how and by what means the Division is funded.

The Department anticipates that in FY 2008-09, media costs will increase by \$67,000. The Department also anticipates purchasing additional media time, equivalent to approximately one and three-quarters weeks in its identified markets (Denver/Northern Front Range; Colorado Springs / Pueblo; and Western Slope). The additional media time is estimated to cost \$77,000 in FY 2008-09. The Department also anticipates that other costs associated with the production of the media campaign will also increase due to inflation and other unanticipated factors.

Staff Recommendation. Staff believes that the request is consistent with the legislative intent of H.B. 05-1266. The request is based on anticipated revenue to the Wildlife Public Education Fund, and is a continuation of the funding provided in FY 2007-08. **Staff recommends that the JBC approved the request for a total of \$1,100,000 cash funds Wildlife Management Public Education Fund created in Section 33-1-112 (3.5) (a), C.R.S.**

- ❑ **Budget Amendment #18a —Division of Wildlife Leased Space to Pots.** The Department requests moving its Division of Wildlife leased space funding in the amount of \$160,151 cash funds from the Division of Wildlife, (A) Division Operations, Wildlife Management to the Executive Director's Office, (A) Administration and Information Technology, Leased Space.

The Department states that for FY 2007-08 figure setting (staff notes that the Department also submitted a FY 08 supplemental request, which staff did not recommend) the JBC changed the headnote language on the definition of Leased Space. Prior to the FY 2007 Long Bill, the headnote definition had exempted the Division of Wildlife from having to include its leased space costs within the EDO leased space line. The Department states that in order to remain compliant with the headnote definition of leased space, it requests moving the Division of Wildlife leased space funds to the EDO.

Staff does not know why the definition was changed to no allow DOW to be excluded from the Leased Space reporting requirement. Staff does not foresee any problems with this move. This is a net-neutral move of funding.

Staff recommends the Department's request on Budget Amendment 18a.

(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.

DOW - Director's Office Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Management and Administration	9.0	11.0	11.0	11.0
Policy Analysis and Financial Services	6.0	6.0	6.0	6.0
Internal Auditor	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total	16.0	18.0	18.0	18.0

Staff recommends total funding of \$2,048,629 and 18.0 FTE for this line item, which is comprised of \$1,927,903 cash funds and \$120,726 federal funds.

Summary of Recommendation – Division of Wildlife (9) (A) (1) Director's Office — Department of Natural Resources				
	CF	FF	Total	FTE
Personal Services (Estimate)			1,940,250	18.0
Operating Expense (Estimate)			<u>53,523</u>	—
FY 2007-08 Appropriation	1,872,824	120,949	1,993,773	18.0
Annualize Salary Survey Awarded in FY 2007-08	<u>39,894</u>	<u>(223)</u>	<u>39,671</u>	—
Annualize Performance Awards in FY 2007-08	<u>15,185</u>	<u>0</u>	<u>15,185</u>	—
Total Recommendation	1,927,903	120,726	2,048,629	18.0

(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.

DOW - Wildlife Management Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Engineers	1.9	1.9	1.9	1.9
Information Technology	7.8	9.0	9.0	9.0
Information/Education	29.2	31.5	31.5	31.5
Laboratory Technology/Veterinarian	5.0	5.0	5.0	5.0
Management and Administration	86.1	97.3	97.3	97.3

DOW - Wildlife Management Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Property/Hatchery Technicians	126.3	126.7	126.7	126.7
Scientists/Researcher	28.6	30.0	30.0	30.0
Wildlife Management/Biologist	247.8	254.0	254.0	254.0
Temporaries	<u>123.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	655.8	555.4	555.4	555.4

* The temporaries information listed for FY 2006-07 is staff estimate of temporary staff FTE equivalents based on FY 2005-06 actual. The Department did not provide an FTE equivalency for FY 07 Temporaries.

Staff recommends total funding of \$63,387,101 and 555.4 FTE for this line item, which is comprised of \$53,126,285 cash funds and \$10,260,816 federal funds.

Summary of Recommendation – Division of Wildlife (9) (A) (2) Wildlife Management — Department of Natural Resources				
	CF	FF	Total	FTE
Personal Services (Estimate)			41,910,593	555.4
Operating Expense (Estimate)			<u>20,242,928</u>	_____
FY 2007-08 Appropriation	51,812,094	10,341,427	62,153,521	555.4
Annualize Salary Survey Awarded in FY 2007-08	1,114,107	(14,694)	1,099,413	
Annualize Performance Awards in FY 2007-08	367,946	0	367,946	_____
H.B. 08-1294 FY 08 Supplemental for Emergency Big Game Winter Feeding Operation	<u>1,746,560</u>	<u>0</u>	<u>1,746,560</u>	
Continuation Estimate	55,040,707	10,326,733	65,367,440	555.4
Common Policy Personal Services Reduction (1.0%)	(367,862)	(65,917)	(433,779)	
Decision Item #16 PEAC Funding	200,000	0	200,000	
Annualize FY 08 Big Game Feeding Supplemental	<u>(1,746,560)</u>	<u>0</u>	<u>(1,746,560)</u>	_____
Total Recommendation	53,126,285	10,260,816	63,387,101	555.4

(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.

DOW - Technical Services Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Management and Administration	22.4	25.5	25.5	25.5
Accounting and Procurement	8.0	9.0	9.0	9.0
Engineers	18.3	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	2.1	2.8	2.8	2.8
Temporaries	<u>2.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	57.8	61.0	61.0	61.0

Staff recommends total funding of \$6,516,885 and 61.0 FTE for this line item, which is comprised of \$6,498,895 cash funds and \$17,990 federal funds.

Summary of Recommendation – Division of Wildlife				
(9) (A) (3) Technical Services — Department of Natural Resources				
	CF	FF	Total	FTE
Personal Services (Estimate)			4,965,548	61.0
Operating Expense (Estimate)			<u>1,409,866</u>	—
FY 2007-08 Appropriation	6,357,215	18,199	6,375,414	61.0
Annualize Salary Survey Awarded in FY 2007-08	144,464	(27)	144,437	—
Annualize Performance Awards in FY 2007-08	<u>48,620</u>	<u>0</u>	<u>48,620</u>	
Continuation Estimate	6,550,299	18,172	6,568,471	61.0
Common Policy Personal Services Reduction (1.0%)	<u>(51,404)</u>	<u>(182)</u>	<u>(51,586)</u>	
Total Recommendation	6,498,895	17,990	6,516,885	61.0

(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.

DOW - Information Technology Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Management and Administration	1.0	1.0	1.0	1.0
Information Technology	<u>16.6</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>
Total	17.6	18.0	18.0	18.0

Staff recommends total funding of \$2,893,500 cash funds and 18.0 FTE for this line item.

Summary of Recommendation – Division of Wildlife				
(9) (A) (4) Information Technology — Department of Natural Resources				
	CF	FF	Total	FTE
Personal Services (Estimate)			1,579,065	18.0
Operating Expense (Estimate)			<u>1,237,134</u>	—
FY 2007-08 Appropriation	2,816,199	0	2,816,199	18.0
Annualize Salary Survey Awarded in FY 2007-08	59,038	0	59,038	—
Annualize Performance Awards in FY 2007-08	<u>18,263</u>	<u>0</u>	<u>18,263</u>	
Continuation Estimate	2,893,500	0	2,893,500	18.0
Common Policy Personal Services Reduction (1.0%)	0	0	0	
Total Recommendation	2,893,500	0	2,893,500	18.0

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.

Summary of Recommendation – Division of Wildlife			
(9) (A) Division Operations — Department of Natural Resources			
	CF	FF	Total
Director's Office	1,927,903	120,726	2,048,629
Wildlife Management	53,126,285	10,260,816	63,387,101
Technical Services	6,498,895	17,990	6,516,885
Information Technology	<u>2,893,500</u>	<u>0</u>	<u>2,893,500</u>
Total Recommendation	64,446,583	10,399,532	74,846,115
Wildlife Cash Fund (Section 33-1-112 (1), C.R.S.)	55,926,583	0	55,926,583
Colorado Outdoor Sales	555,000	0	555,000
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.)	500,000	0	500,000
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>10,399,532</u>	<u>10,399,532</u>
Total Recommendation	64,446,583	10,399,532	74,846,115

(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.

This year, the fund was used to partially offset the initial costs of the Emergency Big Game Winter Feeding operations in the Gunnison Basin and Northwest Colorado.

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 \$3,413,878 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 \$3,413,878.** 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.

Summary of Recommendation – Division of Wildlife (9) (B) Special Purpose — Department of Natural Resources	
	CF
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>3,413,878</u>
Total Recommendation	7,419,905
Wildlife Cash Fund (Section 33-1-112 (1), C.R.S.)	4,919,905
Habitat Partnership Cash Fund (Section 33-1-112 (8) (a), C.R.S.)	<u>2,500,000</u>
Total Recommendation	7,419,905

FOOTNOTES

Staff does not recommend any footnotes to the FY 2008-09 Long Bill for the Executive Director's Office, State Parks, Colorado Water Conservation Board, Division of Water Resources, and Division of Wildlife.