

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2014-15**

**DEPARTMENT OF NATURAL RESOURCES**

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

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January 15, 2015**

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## **DEPARTMENT OF NATURAL RESOURCES**

### **Department Overview**

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

- The **Executive Director's Office** develops department-wide policies and provides administrative and technical support for other divisions in the Department. The Colorado Avalanche Information Center is included as a special program within this division.
- The **Division of Reclamation, Mining, and Safety** regulates development and reclamation at active mine sites, reclaims abandoned mine sites, and provides safety training for mine operators and employees.
- The **Oil and Gas Conservation Commission** promotes the exploration, development, and conservation of Colorado's oil and natural gas resources by issuing permits, conducting inspections, pursuing enforcement actions, and engaging in public outreach efforts.
- The **State Board of Land Commissioners** manages agricultural, commercial, mineral, and other leases on state-owned lands to generate reasonable and consistent revenue for public schools and other trust beneficiaries over time.
- The **Division of Parks and Wildlife** provides recreational opportunities at 42 state parks, manages 960 game and non-game wildlife species, issues hunting and fishing licenses, enforces wildlife regulations, and administers more than 295 state wildlife areas.
- The **Colorado Water Conservation Board** works to conserve, develop, and protect the state's water resources to ensure adequate water supply, maximize beneficial use, and reduce the impact of flooding and drought.
- The **Division of Water Resources** administers and enforces water rights, issues well permits, monitors streamflow and water use, regulates dam construction and safety, and represents Colorado in interstate water compact proceedings.

## Summary: FY 2014-15 Appropriation and Recommendation

<b>Department of Natural Resources: Recommended Changes for FY 2014-15</b>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$244,161,842	\$26,226,310	\$181,018,196	\$8,026,022	\$28,891,314	1,443.1
Other legislation	<u>11,960,425</u>	<u>0</u>	<u>11,960,425</u>	<u>0</u>	<u>0</u>	<u>0.9</u>
<b>Current FY 2014-15 Appropriation</b>	<b>\$256,122,267</b>	<b>\$26,226,310</b>	<b>\$192,978,621</b>	<b>\$8,026,022</b>	<b>\$28,891,314</b>	<b>1,444.0</b>
<b>Recommended Changes</b>						
Current FY 2014-15 Appropriation	\$256,122,267	26,226,310	\$192,978,621	\$8,026,022	\$28,891,314	1,444.0
S1 CAIC Administrative Changes	120,246	(28,210)	28,210	120,246	0	0.7
Statewide Common Policy Supplemental Requests	<u>(817,599)</u>	<u>23,180</u>	<u>(749,322)</u>	<u>(52,130)</u>	<u>(39,327)</u>	<u>0.0</u>
<b>Recommended FY 2014-15 Appropriation</b>	<b>\$255,424,914</b>	<b>\$26,221,280</b>	<b>\$192,257,509</b>	<b>\$8,094,138</b>	<b>\$28,851,987</b>	<b>1,444.7</b>
<b>Recommended Increase/(Decrease)</b>	(\$697,353)	(\$5,030)	(\$721,112)	\$68,116	(\$39,327)	0.7
Percentage Change	(0.3%)	(0.0%)	(0.4%)	0.8%	(0.1%)	0.0%
<b>FY 2014-15 Executive Request</b>	<b>\$255,079,498</b>	<b>\$26,227,660</b>	<b>\$191,876,041</b>	<b>\$8,115,077</b>	<b>\$28,860,720</b>	<b>1,444.7</b>
Request Above/(Below) Recommendation	(\$345,416)	\$6,380	(\$381,468)	\$20,939	\$8,733	(0.0)

### Request/Recommendation Descriptions

**S1 CAIC Administrative Changes:** The request includes an increase of \$120,246 total funds and 0.7 FTE for the Colorado Avalanche Information Center (CAIC) to provide funding for an additional seasonal avalanche forecaster in the Sawatch Mountain Range, as well as administrative support, equipment, vehicles, and office space for the program. *Staff recommends the Committee approve the Department's request.*

**Statewide Common Policy Supplemental Requests:** The request included a net decrease of \$1,163,015 total funds for the Department's share of statewide adjustments to Capitol Complex leased space, CORE/COFRS modernization, and vehicle lease payments. *The Committee approved a decrease of \$817,599 total funds as recommended by JBC staff during the supplemental presentation for the Department of Personnel on January 8, 2015.*

## Prioritized Supplemental Requests

### SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #1 CAIC ADMINISTRATIVE CHANGES

	Request	Recommendation
<b>Total</b>	<b><u>\$120,246</u></b>	<b><u>\$120,246</u></b>
FTE	0.7	0.7
General Fund	(28,210)	(28,210)
Cash Funds	28,210	28,210
Reappropriated Funds	120,246	120,246

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of data/information that was not available when the original appropriation was made.	

**Department Request:** The Department request includes an increase of \$120,246 total funds and 0.7 FTE for the Colorado Avalanche Information Center (CAIC) to provide funding for an additional seasonal avalanche forecaster in the Sawatch Mountain Range, as well as administrative support, equipment, vehicles, and office space for the program.

**Staff Recommendation:** Staff recommends the Committee approve the Department's request.

**Staff Analysis:** This request has three parts, described below. Most of the funding for the request is from reappropriated funds from the Colorado Department of Transportation (CDOT), provided under the terms of a new contract with the CAIC. Please note CDOT has indicated that funding for this request is available within existing resources and that it does not require any budgetary changes for FY 2014-15.

**1. Sawatch Mountain Range Highway Forecaster**

CAIC avalanche forecasters are tasked with assessing avalanche risk on highways and in the backcountry during the avalanche season. An experienced highway forecaster, responsible for eight highways in the Sawatch Mountain Range, retired in November 2014. The accumulated forecasting workload of this employee was approximately two times that of other highway forecasters and had been flagged as a point of concern by internal and external reviews of the program.

The Department indicated that a single forecaster without a long history in the area would be unable to provide adequate coverage for the assigned highway sections and submitted a FY 2015-16 budget request for an additional forecaster in the Sawatch Mountain Range. However,

to ensure the safety of the public and CDOT employees, the CAIC has already hired and trained a new forecaster in a term limited position during the current avalanche season without a guarantee of permanent funding. The Department's supplemental request includes an increase of \$58,646 in reappropriated funds from CDOT and 0.7 FTE in FY 2014-15 to permanently fund this position during the current fiscal year.

## ***2. CDOT Vehicles, Equipment, and Leased Space***

The Colorado Department of Transportation (CDOT) works closely with the CAIC, providing vehicles, radios, and leased space to CAIC staff, but the Department has indicated that the current arrangement is problematic for both agencies. CDOT is managing assets that are not under its direct control, which creates ambiguity in inventory and risk management claims. The CAIC is currently restricted to using CDOT assets for highway forecasting only, except in the case of emergencies, which interferes with forecaster flexibility to respond to high priority areas that may be in the backcountry.

The Department submitted a FY 2015-16 budget request to allow the CAIC to acquire vehicles, equipment, and leased space directly using reappropriated funds from CDOT. This supplemental request includes an increase of \$61,600 reappropriated funds in FY 2014-15 to allow the CAIC to make these acquisitions in the current fiscal year.

## ***3. Administrative Support***

The Department's FY 2015-16 budget request includes the transfer of 0.5 FTE from the Executive Director's Office to the CAIC to provide administrative support for the program. This transition began in mid-November under the CAIC's new contract with CDOT. For accuracy, the Department is requesting this change be reflected in the FY 2014-15 budget. The position is currently funded by \$28,210 reappropriated funds from indirect cost recoveries, which would be refinanced with the same amount cash funds from the Severance Tax Operational Fund under the request.

### ***Staff Recommendation***

Staff recommends the Committee approve all three parts of the Department's request, increasing funding for the CAIC by \$120,246 total funds and 0.7 FTE in FY 2014-15.

However, if the Committee does not wish to approve funding for the full request, staff recommends prioritizing part one of the request (avalanche forecaster) over parts two and three (equipment and administrative support). Ensuring permanent funding for the new Sawatch Mountain Range forecaster is important for the safety of the public and CDOT workers. The request gives CAIC the spending authority to use available funds from CDOT and eliminates the need to support the position with other sources of funding that will be needed for other expenditures during FY 2014-15.

Parts two and three of the request take advantage of available funding provided by CDOT, but the provision of vehicles, equipment, leased space, and administrative support could be postponed until FY 2015-16 if necessary:

- Vehicles and Equipment: The JBC staff analyst responsible for Fleet confirmed that the CAIC does not require funding in FY 2014-15 in order to receive new vehicles in time for the 2015-2016 avalanche season. Funding for truck-mounted radios would not be required if the Committee does not approve supplemental funding for the requested vehicles.
- Leased Space: The CAIC expects to need additional office space but has not currently located any suitable locations. As such, the increase in funding for leased space could reasonably be deferred until specific locations are identified.
- Administrative Support: This is a technical adjustment that has a minimal impact on the Severance Tax Operational Fund. While it would not be strictly fair to continue to fund the 0.5 FTE with indirect cost recoveries from other divisions, the amount is small enough that a delaying a true-up would not have significant adverse effects.

## Statewide Common Policy Supplemental Requests

These requests are not prioritized and are not analyzed in this packet. The JBC acted on these common policy items during the presentation for the Department of Personnel on January 8, 2015.

Department's Portion of Statewide Supplemental Request	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Capitol Complex Leased Space	\$103,035	\$21,809	\$52,595	\$17,622	\$11,009	0.0
CORE/COFRS Modernization	(817,599)	23,180	(749,332)	(52,130)	(39,327)	0.0
Vehicle Lease Payments	(448,451)	(15,429)	(434,063)	3,317	(2,276)	0.0
<b>Department's Total Statewide Supplemental Requests</b>	<b>(\$1,163,015)</b>	<b>\$29,560</b>	<b>(\$1,130,800)</b>	<b>(\$31,191)</b>	<b>(\$30,594)</b>	<b>0.0</b>

**Staff Recommendation:** Staff will include the following adjustments in the Department's supplemental bill for FY 2014-15.

Department's Portion of Statewide Supplemental Request (Approved by the JBC on Jan. 8, 2015)	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Capitol Complex Leased Space	\$0	\$0	\$0	\$0	\$0	0.0
CORE/COFRS Modernization	(817,599)	23,180	(749,332)	(52,130)	(39,327)	0.0
Vehicle Lease Payments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>Department's Total Approved Statewide Supplemental Requests</b>	<b>(\$817,599)</b>	<b>\$23,180</b>	<b>(\$749,332)</b>	<b>(\$52,130)</b>	<b>(\$39,327)</b>	<b>0.0</b>

*JBC Staff Supplemental Recommendations: FY 2014-15*  
*Staff Working Document – Does Not Represent Committee Decision*

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At present, staff does not believe there is a reason to deviate from common policy approved by the Committee. However, staff asks permission to include any future adjustments to common policies in the Department's supplemental bill should the Committee approve additional changes at a later date.

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**JBC Staff Supplemental Recommendations - FY 2014-15**  
**Staff Working Document - Does Not Represent Committee Decision**

**Appendix A: Number Pages**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2014-15 Requested Change</b>	<b>FY 2014-15 Rec'd Change</b>	<b>FY 2014-15 Total W/ Rec'd Change</b>
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**DEPARTMENT OF NATURAL RESOURCES**  
**Mike King, Executive Director**

**S1 - CAIC Administrative Changes**

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

**(A) Administration**

Personal Services	<u>3,590,553</u>	<u>3,693,831</u>	<u>(24,038)</u>	<u>(24,038)</u>	<u>3,669,793</u>
FTE	39.1	41.8	(0.5)	(0.5)	41.3
Reappropriated Funds	3,590,553	3,693,831	(24,038)	(24,038)	3,669,793
Health, Life, and Dental	<u>10,898,842</u>	<u>11,372,174</u>	<u>4,421</u>	<u>4,421</u>	<u>11,376,595</u>
General Fund	820,070	1,213,503	(28,210)	(28,210)	1,185,293
Cash Funds	7,063,034	7,652,556	2,211	2,211	7,654,767
Reappropriated Funds	1,439,495	1,177,794	30,420	30,420	1,208,214
Federal Funds	1,576,243	1,328,321	0	0	1,328,321
Short-term Disability	<u>174,073</u>	<u>205,663</u>	<u>76</u>	<u>76</u>	<u>205,739</u>
General Fund	30,102	32,444	0	0	32,444
Cash Funds	113,478	141,925	41	41	141,966
Reappropriated Funds	5,634	5,861	35	35	5,896
Federal Funds	24,859	25,433	0	0	25,433
S.B. 04-257 Amortization Equalization Disbursement	<u>3,705,042</u>	<u>4,274,935</u>	<u>1,600</u>	<u>1,600</u>	<u>4,276,535</u>
General Fund	572,359	674,702	0	0	674,702
Cash Funds	2,508,284	2,949,931	862	862	2,950,793
Reappropriated Funds	107,304	121,845	738	738	122,583
Federal Funds	517,095	528,457	0	0	528,457

**JBC Staff Supplemental Recommendations - FY 2014-15**  
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	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2014-15 Requested Change</b>	<b>FY 2014-15 Rec'd Change</b>	<b>FY 2014-15 Total W/ Rec'd Change</b>
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>3,342,999</u>	<u>4,007,752</u>	<u>1,501</u>	<u>1,501</u>	<u>4,009,253</u>
General Fund	514,883	632,533	0	0	632,533
Cash Funds	2,264,422	2,765,561	808	808	2,766,369
Reappropriated Funds	96,872	114,230	693	693	114,923
Federal Funds	466,822	495,428	0	0	495,428
Operating Expenses	<u>473,467</u>	<u>1,246,924</u>	<u>(250)</u>	<u>(250)</u>	<u>1,246,674</u>
Cash Funds	290,551	1,057,006	0	0	1,057,006
Reappropriated Funds	177,579	184,581	(250)	(250)	184,331
Federal Funds	5,337	5,337	0	0	5,337
Vehicle Lease Payments	<u>3,089,942</u>	<u>3,902,389</u>	<u>14,400</u>	<u>14,400</u>	<u>3,916,789</u>
General Fund	297,201	252,298	0	0	252,298
Cash Funds	2,732,523	3,576,478	0	0	3,576,478
Reappropriated Funds	6,727	8,091	14,400	14,400	22,491
Federal Funds	53,491	65,522	0	0	65,522
Leased Space	<u>1,331,033</u>	<u>1,302,222</u>	<u>18,000</u>	<u>18,000</u>	<u>1,320,222</u>
General Fund	532,215	568,930	0	0	568,930
Cash Funds	761,740	697,736	0	0	697,736
Reappropriated Funds	0	0	18,000	18,000	18,000
Federal Funds	37,078	35,556	0	0	35,556

**JBC Staff Supplemental Recommendations - FY 2014-15**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2014-15 Requested Change</b>	<b>FY 2014-15 Rec'd Change</b>	<b>FY 2014-15 Total W/ Rec'd Change</b>
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**(1) EXECUTIVE DIRECTOR'S OFFICE**

**(B) Special Programs**

Colorado Avalanche Information Center	<u>647,478</u>	<u>838,466</u>	<u>104,536</u>	<u>104,536</u>	<u>943,002</u>
FTE	8.3	9.0	1.2	1.2	10.2
General Fund	0	0	0	0	0
Cash Funds	277,284	398,516	24,288	24,288	422,804
Reappropriated Funds	372,189	420,979	80,248	80,248	501,227
Federal Funds	(1,995)	18,971	0	0	18,971

<b>Total for S1 - CAIC Administrative Changes</b>	27,253,429	30,844,356	120,246	120,246	30,964,602
<i>FTE</i>	<u>47.4</u>	<u>50.8</u>	<u>0.7</u>	<u>0.7</u>	<u>51.5</u>
General Fund	2,766,830	3,374,410	(28,210)	(28,210)	3,346,200
Cash Funds	16,011,316	19,239,709	28,210	28,210	19,267,919
Reappropriated Funds	5,796,353	5,727,212	120,246	120,246	5,847,458
Federal Funds	2,678,930	2,503,025	0	0	2,503,025

<b>Totals Excluding Pending Items</b>					
<b>NATURAL RESOURCES</b>					
<b>TOTALS for ALL Departmental line items</b>	263,261,350	256,122,267	120,246	120,246	256,242,513
<i>FTE</i>	<u>1,382.8</u>	<u>1,444.0</u>	<u>0.7</u>	<u>0.7</u>	<u>1,444.7</u>
General Fund	25,098,484	26,226,310	(28,210)	(28,210)	26,198,100
Cash Funds	203,907,450	192,978,621	28,210	28,210	193,006,831
Reappropriated Funds	8,234,876	8,026,022	120,246	120,246	8,146,268
Federal Funds	26,020,540	28,891,314	0	0	28,891,314