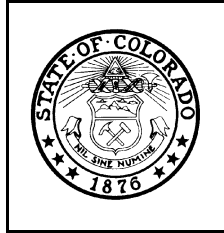


COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



**FY 2007-08 STAFF BUDGET BRIEFING:
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
- ENVIRONMENTAL PROGRAMS ONLY -**

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

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December 14, 2006**

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**FY 2007-08 Budget Briefing
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
- Environmental Divisions Only -**

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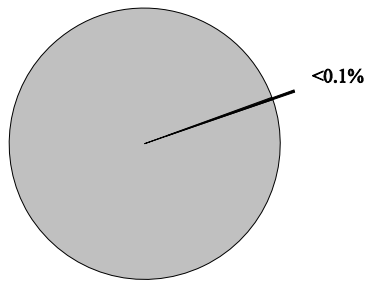
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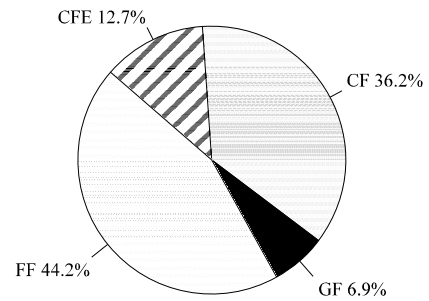
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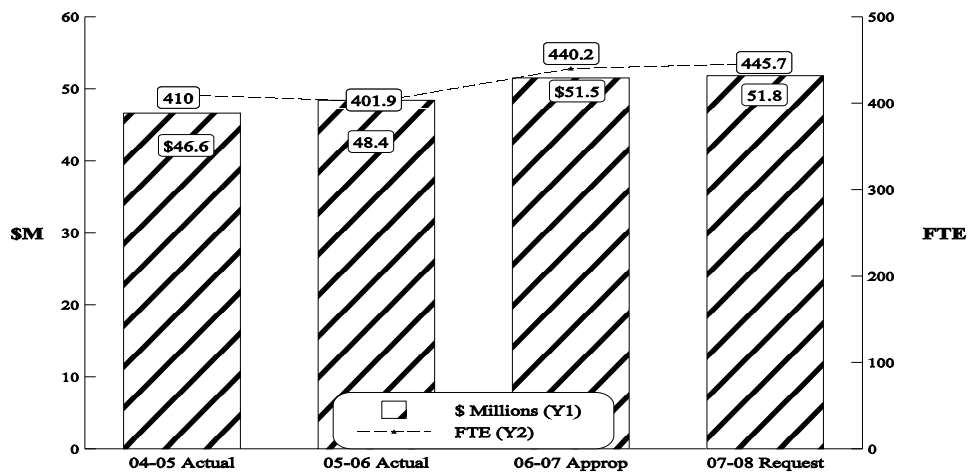
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Budget History



**Department of Public Health and Environment
- Environmental Sections Only -**

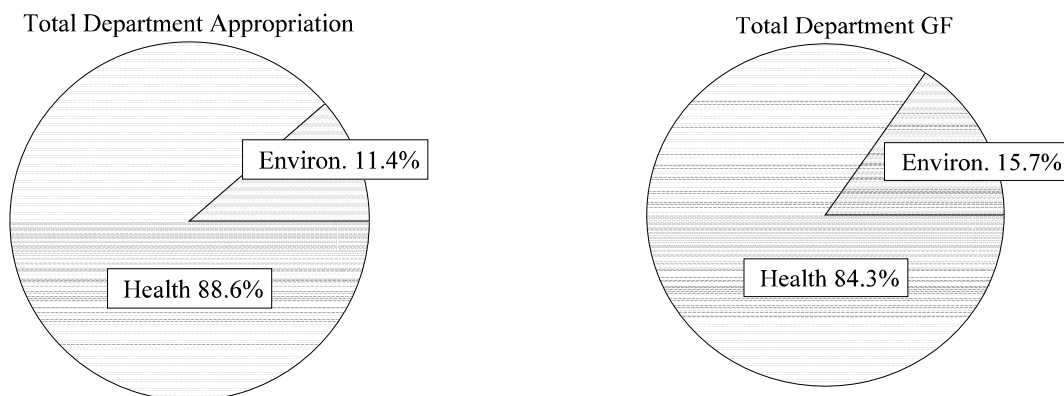
Department Overview

Key Responsibilities

- ▶ Monitors the state's air and water quality to ensure compliance with applicable state and federal regulations, such as the Federal Clean Air Act and the Safe Drinking Water Act.
- ▶ Regulates the treatment, storage, and disposal of solid and hazardous wastes, including the implementation of the Federal Superfund Program and the Rocky Flats Interagency Remediation Agreement.
- ▶ Evaluates and investigates strategies aimed at reducing or controlling air and water pollution by issuing discharge permits, collecting and analyzing emissions data, monitoring the success of state implementation plans and attainment redesignation requests, and enforcing rules and regulations adopted by the environmental oversight commissions.
- ▶ Provides technical assistance and statewide coordination for waste and drinking water treatment facilities.
- ▶ Enforces sanitation standards designed to prevent and control diseases transmitted by food, insects, or rodents.

Factors Driving the Budget

For FY 2006-07, funding for these divisions consists of 6.9 percent General Fund, 48.9 percent cash and cash funds exempt, and 44.2 percent federal funds. Funding for the environmental divisions comprises 11.4 percent of the Department's total budget, and 15.7 percent of the Department's General Fund. The Water Quality Control Division and the Consumer Protection Division receive all of the General Fund appropriation for the environmental divisions.



Oil and Gas Development: The Air Quality Control Division

In recent years, oil and gas development has exploded in this state. In 2002, the industry was just starting to grow and emissions were unregulated. Since then, while other source types have been reducing total volatile organic compound (VOC) emissions in an effort to comply with federal air standards, the oil and gas industry has surpassed both mobile sources (vehicles) and area sources (such as lawn and garden sources; architectural coatings; and pesticide applications) to become the greatest source of VOC emissions on the Front Range.

VOC is a precursor to ground-level ozone, which is a pollutant known to cause numerous health problems and which is regulated by the federal Environmental Protection Agency (EPA). Even before the oil and gas boom, the Front Range was in danger of violating the federal ozone standards and had entered into an agreement with EPA to prevent a non-attainment designation. In the wake of the industry's growth and the resultant VOC emissions, the Air Quality Control Division and the Air Quality Control Commission have been working to establish standards for the industry that will protect the region's air quality. This issue, and the resources the Department is seeking to address it, is discussed in more detail in the briefing issue beginning on page 54.

Population Growth: The Water Quality Control Division

From 1990 to 2000, state population grew from approximately 3.3 million to an estimated 4.3 million: a 33.3 percent increase. It is estimated that state population further increased to 4.7 million by 2005, and will continue to increase to over 5.7 million by 2015.¹ Population growth significantly impacts the Water Quality Control Division. There are increasing numbers of public water systems and wastewater dischargers being regulated. Associated regulatory activities include entering and reviewing self-reported monitoring data, issuing permits, conducting inspections, and reviewing designs.

Additionally, when existing systems pass certain population-related thresholds, the regulations become more comprehensive, requiring additional resources to implement. Regulated entities pressured by growth have an increased need for compliance assistance and financial assistance; the growth within numerous towns has accelerated at a faster pace than their infrastructure capacity, and they often lack the expertise needed to adequately manage and operate their drinking water and wastewater treatment facilities.

As population grows, the generation of biosolids² and stormwater increases, as does the demand for new sources of water, such as wastewater re-use. Therefore, population growth has fueled additional staff efforts for oversight of the stormwater, biosolids, and wastewater re-use programs. Increased population also results in a higher percentage of stream flows being comprised of the discharges from sewage treatment plants, generating the need for additional effort from the Division to protect the state's waters.

¹ Colorado Demography Section, Department of Local Affairs.

² Biosolids are sludge wastes from sewage treatment plants.

Fee Changes & General Fund Support: The Water Quality Control Division

Prior to FY 2003-04, Water Quality Control Division (WQCD) programs were funded through a mix of approximately 20 percent General Fund, 20 percent fee revenue, and 60 percent federal dollars. In response to the state budget crisis, the Legislature looked to reduce and/or eliminate General Fund support for programs that could be financed with user fees. As part of this effort, the Division lost all General Fund support beginning in FY 2003-04 (approximately \$2.0 million).

The WQCD was given a short time with which to consult with the stakeholder community and develop a legislative proposal to replace the lost General Fund monies with fees. The resulting statutory fee changes included a 66 percent increase in wastewater permit fees, and, for the first time, the establishment of a fee system for drinking water purveyors. However, by December 2005, the WQCD had identified concerns about the ability of some of the new fees to adequately support the associated programs. The WQCD found that fees received from industrial and domestic wastewater permittees and concentrated animal feeding operations (CAFO) permittees, which were based on best programmatic workload estimates at that time, were not adequate to support the expenditures for those programs. As a result, those programs were being "subsidized" by excess fee revenue collected from stormwater and drinking water permittees.

During the 2005 legislative session, the Department proposed legislation that would adjust the fees, taking into consideration the amount of resources the Division provides to different parties for various services. Regardless, no legislation was introduced and the new fees and fee changes set in 2003 sunset on July 1, 2005. As a result, the FY 2005-06 for the Water Quality Control Division included an increase in General Fund to replace the lost fee revenue. However, the current appropriation contains a "structural deficit", as the cash fund spending authority exceeds anticipated revenues.

The challenges facing the WQCD and the resources the Department is seeking to address those challenges, are discussed in more detail in the briefing issue that begins on page 59.

Contaminated Sites Cleanup: The Hazardous Materials and Waste Management Division

The Hazardous Materials and Waste Management Division accounts for 35.6 percent of the entire appropriation for the environmental divisions: \$18.3 million in FY 2006-07. The largest share of the Division's appropriation, \$7.8 million, is for the Contaminated Sites Cleanup program. This program has three primary responsibilities: (1) federal facilities oversight (to ensure protective cleanup and compliance with state and federal hazardous waste laws, regulations, and Superfund requirements at federal facilities); (2) the Superfund program (to minimize human exposure and environmental damage from hazardous sites by performing investigations, determining and designing appropriate remedies, overseeing implementation of those remedies, and ensuring on-going maintenance and monitoring when necessary); and (3) the Voluntary Cleanup and Redevelopment Program (to facilitate the cleanup and redevelopment of contaminated properties with expedited review of clean-up plans submitted by property owners). The Superfund program, and the Hazardous Substance Response Fund which is its primary source of funding, are discussed in more detail in the briefing issue that begins on page 60.

Federal Funds

Forty-two percent of the FY 2006-07 appropriation for the environmental divisions is funded by federal dollars, some of which requires a state matching contribution or maintenance of effort. The divisions currently manage over 100 different grants, including the U.S. EPA's Performance Partnership Grant: a two-year, multi-programmatic grant providing approximately \$18.3 million in federal dollars. The table below shows the actual federal funding received for FY 2001-02 through FY 2005-06, as well as the FY 2006-07 appropriation and FY 2007-08 request.

Federal Dollars (in millions)

Environmental Divisions	FY 01-02 Actual	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Approp.	FY 07-08 Request
Total Federal Funds	\$20.8	\$20.8	\$21.2	\$20.2	\$22.4	\$22.7	\$21.9
Total Federal Funds as a Percent of Environ. Divisions' Budget	46.5%	45.9%	40.0%	45.3%	46.3%	44.4%	42.2%

The \$800,000 reduction from FY 2006-07 to FY 2007-08 is almost entirely due to the end of clean-up activities at the Rocky Flats site. All physical remediation was completed at Rocky Flats in October 2005. All hazardous waste units (tanks, storage pads, etc.) were closed and the Hazardous Waste Permit was terminated in July 2006. The post-closure agreement will be the Rocky Flats Legacy Management Agreement (RFLMA), which will be released for a 45-day comment public period in December 2006 and signed in the first quarter of 2007. The U.S. Fish and Wildlife Service and the U.S. Department of Energy will maintain and manage portions of the site. The Hazardous Materials/Waste Management Division will continue to have a regulatory oversight role in the implementation of the RFLMA and in coordination with local communities and the EPA.

Summary of Major Legislation

- ✓ **S.B. 06-114 (Kester/Gardner): Housed Commercial Swine Feeding Operations.** Allowed wastewater vessels and impoundments used in a housed commercial swine operation to be maintained with technologies or practices to minimize the emission of odorous gases so long as those technologies are at least as effective as covers. Established an annual fee for housed commercial swine feeding operations. Appropriated \$52,312 cash funds from the Commercial Swine Feeding Operation Fund, and 0.5 FTE, to the Air Quality Control Division in FY 2006-07.
- ✓ **S.B. 06-171 (Johnson/Lindstrom): Transfer State Board of Health Authorities.** Transferred the authority regarding drinking water standards, project eligibility lists, and fee setting from the State Board of Health to the Water Quality Control Commission. Also transferred authority regarding solid waste from the State Board of Health to the Solid and Hazardous Waste Commission. Specified that costs associated with the Solid and Hazardous Waste Commission be split equally between the Solid and Hazardous Waste Commission Fund and Solid Waste Management Fund. Amended the H.B. 06-1385 FY 2006-07 appropriation to the Department by increasing cash funds from the Solid Waste Management Fund by \$48,660 and providing a commensurate decrease from the Solid and Hazardous Waste Commission Fund.
- ✓ **H.B. 06-1302 (Stengel/Gordon): Emissions Testing / Clean Screen Program.** Required the Department to develop a "high emitter program" for auto emissions testing that is acceptable to the federal Environmental Protection Agency. Required an increase in "clean screen" auto emissions testing. Changed the fee structure that supports the emissions testing program. Terminated the state's current vehicle emissions testing program effective December 31, 2010. Appropriated \$250,000 cash funds exempt from the Clean Screen Fund, and 1.5 FTE, to the Air Quality Control Division.
- ✓ **H.B. 06-1337 (Butcher/Entz): Water Quality Improvement Fund Penalties.** Increased the civil penalty for violations of water quality control provisions from up to \$10,000 to up to \$25,000 per violation per day. Required the Department to spend civil penalties collected on improving the water quality in impacted communities by awarding grants or providing matching funds for certain federal programs. Appropriated \$292,990 cash funds from the Water Quality Improvement Fund to the Water Quality Control Division in FY 2006-07.
- ✓ **H.B. 05-1126 (M. May/Groff): Regulate Waste Tire Haulers.** Appropriates \$21,375 cash funds from the Waste Tire Recycling Development Cash Fund, and 0.1 FTE, to the Hazardous Materials Waste Management Division to: conduct hearings and promulgate, monitor compliance with, and enforce rules regarding the disposal of waste tires; develop and maintain systems for waste tire hauler registration and waste tire hauler performance bonds; and respond to citizen complaints of illegal waste tire disposal.

- ✓ **H.B. 04-1147 (Hall/Hillman): Environmental Management System Permit Pilot Program.** Authorized the Department to implement an Environmental Management System Permit Pilot Program to allow participants to meet existing environmental requirements through the use of alternative methods and procedures while ensuring compliance with ambient air or water standards.
- ✓ **H.B. 04-1298 (Madden/Hillman): Wholesale Food Manufacturing Fee Adjustment.** Exempted owners of wholesale food manufacturing or storage facilities from the annual registration fee if their income is less than \$15,000 per year, and adjusted the definition of and fee structure for medium and large wholesale food manufacturers and storage facilities. The bill defined nonprofit storage facility, required such facilities to register, but exempted them from having to pay a fee.
- ✓ **S.B. 03-260 (Teck/Plant): Registration of Wholesale Food Manufacturers.** Implemented a fee structure for the Wholesale Food program in the Consumer Protection Division. The fees and penalties collected from the wholesale food and manufacturing and storage facilities will replace the Division's General Fund appropriation for this program.
- ✓ **S.B. 03-276 (Reeves/Plant): Cash Funding of Water Quality Programs.** Increased fees by over 62 percent for water quality control discharge permits. Fee revenue replaced the \$1.5 million General Fund appropriated for the Water Quality Control Division in the 2003 Long Bill. Also implemented a Drinking Water fee to cash fund the \$0.5 million Drinking Water Program.
- ✓ **S.B. 03-280 (Teck/Witwer): Tipping Fee Increase / Hazardous Substance Response Fund.** Created an additional solid waste tipping fee of \$0.02 per cubic yard for commercial vehicles and \$0.01 per car or truckload. One hundred percent of these fees, after allowance for a 2.5 percent landfill administrative fee, shall be deposited into the Hazardous Substance Response Fund (HSRF) to pay the Department of Law's Superfund-related expenditures.
- ✓ **H.B. 02-1391 (Young/Reeves): Augmentation of General Fund through Transfers.** In addition to the other transfers, transferred \$30 million from the Hazardous Substance Response Fund (HSRF) to the General Fund in FY 2001-02. Required the HSRF to be repaid after another \$36.1 million is repaid to seven other cash funds.
- ✓ **H.B. 02-1344 (Scott/Linkhart): Fee Increases for Water Quality Control.** Increased existing fees and established new fees for the issuance or revision of water quality control discharge permits. Required the Department to do a study on whether the Water Quality Control Program should be modified to reasonably accommodate, in the standard-setting and classification process, the unique attributes of the state's water bodies. Appropriated \$520,687 and 4.0 FTE to the Department for program expansion and appropriated \$244,075 to reinstate funding reduced in the 2002 Long Bill because of lack of revenues.

Major Funding Changes FY 2005-06 to FY 2006-07

Action <i>[Source]</i>	General Fund	Other Funds	Total Funds	Total FTE
Funding for additional resources for the Water Quality Control Division to address concerns raised by the federal Environmental Protection Agency <i>(H.B. 06-1385)</i>	\$759,997	\$56,377 CF	\$816,374	10.0
Funding to annualize salary survey increases awarded in FY 2005-06 <i>(H.B. 06-1385)</i>	\$58,116	\$367,669 CF \$87,821 CFE (\$27,370) FF	\$486,236	0.0
Increasing cash funds spending authority for the Water Quality Control Division to allow increased fee revenue to be used for grants or matches for federal funding <i>(H.B. 06-1385)</i>	\$0	\$292,990 CF	\$292,990	0.0
Funding to begin changing the state's auto emissions testing program <i>(H.B. 06-1302)</i>	\$0	\$250,000 CFE	\$250,000	1.5
Funding to annualize a FY 2005-06 supplemental appropriation for the Air Quality Control Division that provided more resources for oil and gas well drilling inspections <i>(H.B. 06-1385)</i>	\$0	\$108,528 CF	\$108,528	2.1
Funding to implement changes in regulations affecting housed commercial swine operations <i>(S.B. 06-114)</i>	\$0	\$52,312 CF	\$52,312	0.5
Decreasing federal funding due to a reduction in the state's oversight responsibilities at the Rocky Flats site <i>(H.B. 06-1385)</i>	\$0	(\$1,000,000) FF	(\$1,000,000)	(14.7)

Action <i>[Source]</i>	General Fund	Other Funds	Total Funds	Total FTE
Reduction in the transfer to the Department of Law for Superfund-related costs due to the sunset of a tipping fee surcharge established pursuant to S.B. 03-280 <i>(H.B. 06-1385)</i>	\$0	(\$644,825) CF	(\$644,825)	0.0
Elimination of Hazardous Materials and Waste Management Division liaison with the Department of Transportation <i>(H.B. 06-1385)</i>	\$0	(\$53,050) CFE (\$25,588) FF	(\$78,638)	(1.0)

**FY 2007-08 Joint Budget Committee Staff Budget Briefing
 Department of Public Health and Environment
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Decision Items

The shaded decision items are those that affect the environmental divisions.

Priority	Division: Description <i>[Statutory Authority]</i>	GF	CF	CFE	FF	Total	FTE
1	Health Facilities and Emergency Medical Services: Expand the Health Facilities Licensing Program <i>[Sections 25-1.5-103 (1) (a) (I), C.R.S.]</i>	\$557,925	\$0	\$0	\$0	\$557,925	6.7
2	Water Quality Control: Additional Resources for the Clean Water Act program <i>[Sections 25-8-101 to 703]</i>	212,067	416,810	0	0	628,877	7.0
3	Disease Control and Environmental Epidemiology: Maintain the state's electronic communicable disease reporting system <i>[Sections 25-1-122 and 25-2.5-102, C.R.S.]</i>	186,055	0	0	(186,055)	0	0.0
4	Consumer Protection: Computer equipment for Retail Food Program contractors <i>[Sections 25-1.5-101, 25-4-101 to 111, and 29-1-201, C.R.S.]</i>	64,872	0	0	0	64,872	0.0

Priority	Division: Description [Statutory Authority]	GF	CF	CFE	FF	Total	FTE
5	Laboratory Services: Higher fees and expenditures for newborn screening [Sections 25-1.5-101 (e) and Parts 8 and 10 of Article 25-4, C.R..S.]	0	291,300	0	0	291,300	0.0
6	Air Quality Control: Additional resources for permitting and inspections [Sections 25-7-101 to 139, C.R.S.]	0	307,389	0	0	307,389	3.0
7	Prevention Services: Added FTE for the Nurse Home Visitor Program [Sections 25-31-101 to 108, C.R.S.]	0	0	0	0	0	2.0
8	Administration and Support: Added FTE and operating expenses for the Health Disparities Grant Program [Sections 25-31-101 to 108, C.R.S.]	0	0	0	0	0	2.8
9	Hazardous Materials and Waste Management: Additional resources for inspections [Sections 25-11-102 and 103, C.R.S.]	0	90,430	0	0	90,430	1.0
10	Prevention Services: Added FTE and operating expenses for the Cancer, Cardiovascular and Pulmonary Disease Grant Program. [Sections 25-20.5-301 to 306, C.R.S.]	0	0	0	0	0	3.0

Priority	Division: Description <i>[Statutory Authority]</i>	GF	CF	CFE	FF	Total	FTE
11	Administration and Support: Pay retiring and terminating employees for unused accrued annual and sick leave	0	0	98,645	0	98,645	0.0
12	Administration and Support Division and Laboratory Services Division: Move Laboratory Services FTE to Administration and Support	0	(55,008)	55,008	0	0	0.0
	Total Prioritized Requests	\$1,020,919	\$1,050,921	\$153,653	(\$186,055)	\$2,039,438	25.5
NP 1	Multiple Divisions: H.B.06S-1023 Implementation <i>[Sections 24-76.5-101 to 103, C.R.S.]</i>	10,471	5,172	13,335	0	28,978	0.5
NP 2	Hazardous Material and Waste Management: Natural Resources Damages at Rocky Mountain Arsenal <i>[Sections 25-15-101 to 515, C.R.S.]</i>	0	0	44,682	0	44,682	0.0
NP 3	Vehicle Lease FY 2007-08 Proration - Statewide	0	8,698	5,827	1,392	15,917	0.0
NP 4	Multiuse network (MNT) - Statewide	0	0	(2,523)	(1,393)	(3,916)	0.0
	Total Nonprioritized Requests	\$10,471	\$13,870	\$61,321	(\$1)	\$85,661	0.5
	Total Request	\$1,031,390	\$1,064,791	\$214,974	(\$186,056)	\$2,125,099	26.0

**FY 2007-08 Joint Budget Committee Staff Budget Briefing
 Department of Public Health and Environment
 - Environmental Sections Only -**

Numbers Pages Overview

The Department of Public Health and Environment's FY 2007-08 request is \$68.4 million less than the FY 2006-07 appropriation. This change is primarily due to a requested \$68.6 million reduction in cash funds exempt spending authority associated with tobacco settlement monies, as well as a \$2.1 million reduction in General Fund. These reductions are partially offset by requested increases in cash funds spending authority and federal funds. The most significant requested funding changes are found in the Health and Administrative Divisions and will be discussed in more detail in the briefing packet for those parts of the Department. The following table shows the total requested change *for the Department*:

Requested Changes FY 2006-07 to FY 2007-08 - Department Wide -						
Category	GF^a	CF	CFE	FF	Total	FTE
FY 2006-07 Approp.	\$26,316,666	\$32,472,241	\$201,327,889	\$210,157,021	\$470,273,817	1,150.2
FY 2007-08 Request	\$24,153,291	\$34,314,486	\$132,736,664	\$210,669,709	\$401,874,150	1,171.0
Change	(\$2,163,375)	\$1,842,245	(\$68,591,225)	\$512,688	(\$68,399,667)	20.8
Percent Change	-8.2%	5.7%	-34.1%	0.2%	-14.5%	1.8%

^a The FY 2006-07 appropriation includes \$516,147 General Fund Exempt. The FY 2007-08 request includes \$461,400 General Fund Exempt.

The Department's FY 2007-08 request for its environmental divisions is approximately \$367,000 more than the FY 2006-07 appropriation. Increases due to decision item requests and salary survey awards are partially offset due to reductions from the annualization of FY 2006-07 special bills and decision items, and base reductions. The following table shows the total requested change *for the environmental divisions*:

Requested Changes FY 2006-07 to FY 2007-08						
<i>- Environmental Divisions Only -</i>						
Category	GF	CF	CFE	FF	Total	FTE
FY 2006-07 Appropriation	\$3,571,619	\$18,619,228	\$6,545,902	\$22,748,642	\$51,485,391	440.2
Prioritized Decision Items	\$276,939	\$814,629	\$0	\$0	\$1,091,568	11.0
Non-prioritized Decision Items	\$3,253	\$3,253	\$44,682	\$0	\$51,188	0.1
Salary Survey Awards	\$76,038	\$256,386	\$67,921	\$0	\$400,345	0.0
0.2% Personal Services Reduction	(\$6,060)	(\$26,966)	(\$9,502)	(\$27,304)	(\$69,832)	0.0
Annualize FY 06-07 Special Bills and Decision Items	(\$27,046)	(\$9,015)	(\$250,000)	\$0	(\$286,061)	(1.5)
CPD: Wholesale Food Fee Sunset ^a	\$149,050	(\$174,932)	\$0	\$0	(\$25,882)	0.0
Rocky Flats Base Reduction	\$0	\$0	\$0	(\$794,763)	(\$794,763)	(4.1)
Rounding	(\$1)	(\$1)	\$0	\$1	(\$1)	0.0
FY 2007-08 Request	\$4,043,792	\$19,482,582	\$6,399,003	\$21,926,576	\$51,851,953	445.7
Change	\$472,173	\$863,354	(\$146,899)	(\$822,066)	\$366,562	5.5
Percent Change	13.2%	4.6%	-2.2%	-3.6%	0.7%	1.2%

- The 5.5 *FTE* increase is due to decision item increases totaling 11.1 FTE, which are partially offset by reductions of 4.1 FTE associated with the Rocky Flats cleanup (state responsibilities are being reduced due to the completion of most cleanup activities in October of 2005), and 1.5 due to the annualization of FY 2006-07 special bills and decision items.
- The \$472,000 increase in *General Fund* is due to requested increases of: \$280,000 for decision items; \$149,000 due to the Wholesale Food Program fee sunset ^a; and \$76,000 for Salary Survey awards. These increases are partially offset by reductions of \$27,000 associated with the annualization of FY 2006-07 special bills and decision items, and \$6,000 in 0.2 percent Personal Services base reductions.
- The \$863,000 increase in *Cash Funds* is due to requested increases of: \$818,000 for decision items and \$256,000 for Salary Survey awards. These increases are partially offset by reductions of \$175,000 due to the Wholesale Food Program fee sunset ^a; \$27,000 in 0.2 percent Personal Services base reductions; and \$9,000 associated with the annualization of FY 2006-07 special bills and decision items.
- The \$147,000 decrease in *Cash Funds Exempt* is primarily due to reductions of \$250,000 associated with the annualization of FY 2006-07 special bills and decision items, as well as \$9,500 associated with the 0.2 percent Personal Services base reductions. These reductions are partially offset by increases of \$68,000 for salary survey awards and \$45,000 for non-prioritized decision items.
- The \$822,000 decrease in *Federal Funds* is the result of a \$795,000 reduction in funding for services at Rocky Flats (state responsibilities are being reduced due to the completion of cleanup activities in October of 2005), and a \$27,000 reduction due to 0.2 percent Personal Services base reductions.

^a The Department has indicated that it intends to pursue legislation to reinstate the Wholesale Food Program fees. However, shown here is the refinancing triggered by the current fees' sunset since that reflects current law.

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT					
Executive Director: Dennis Ellis					
(5) AIR QUALITY CONTROL DIVISION					
The Division enforces air quality regulations adopted by the Air Quality Control Commission and is responsible for providing air quality management services that contribute to the protection and improvement of public health, ecosystem integrity, and aesthetic values for odor and visibility. The sources of cash funds and cash fund exempt are the Stationary Sources Control Fund, the Automobile Inspection and Readjustment (AIR) Account of the Highway Users Tax Fund, the Lead Hazard Reduction Fund, and some fee and tuition revenue.					
(A) Administration					
Personal Services	344,443	339,560	341,593	347,802	
FTE	4.5	4.5	4.5	4.5	
Cash Funds	119,666	121,427	121,628	125,631	
FTE	1.6	1.6	1.6	1.6	
Cash Funds Exempt	127,974	130,618	129,102	131,490	
FTE	1.5	1.5	1.5	1.5	
Federal Funds	96,803	87,515	90,863	90,681	
FTE	1.4	1.4	1.4	1.4	
Operating Expenses - FF	9,187	8,197	9,187	9,187	
Indirect Cost Assessment	<u>2,181,325</u>	<u>2,262,250</u>	<u>2,446,453</u>	<u>2,446,453</u>	
Cash Funds	1,049,814	1,050,056	1,143,488	1,143,488	
Cash Funds Exempt	699,863	752,571	868,144	868,144	
Federal Funds	431,648	459,623	434,821	434,821	
					Request vs. Approp.
SUBTOTAL - Administration	2,534,955	2,610,007	2,797,233	2,803,442	0.2%
FTE	4.5	4.5	4.5	4.5	0.0%
Cash Funds	1,169,480	1,171,483	1,265,116	1,269,119	0.3%
FTE	1.6	1.6	1.6	1.6	0.0%
Cash Funds Exempt	827,837	883,189	997,246	999,634	0.2%
FTE	1.5	1.5	1.5	1.5	0.0%
Federal Funds	537,638	555,335	534,871	534,689	0.0%
FTE	1.4	1.4	1.4	1.4	0.0%

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests
(B) Technical Services					
(1) Air Quality Monitoring					
Personal Services	1,294,288	1,336,405	1,368,975	1,384,037	
FTE	<u>16.9</u>	<u>17.1</u>	<u>18.6</u>	<u>18.6</u>	
Cash Funds	56,341	57,295	60,074	60,256	
FTE	1.3	1.3	1.7	1.7	
Cash Funds Exempt	977,244	988,763	999,600	1,015,099	
FTE	12.8	12.8	12.5	12.5	
Federal Funds	260,703	290,347	309,301	308,682	
FTE	2.8	3.0	4.4	4.4	
Operating Expenses	<u>111,082</u>	<u>112,814</u>	<u>112,815</u>	<u>112,815</u>	
Cash Funds Exempt	94,732	96,458	96,458	96,458	
Federal Funds	16,350	16,356	16,357	16,357	
Local Contracts	<u>165,941</u>	<u>254,673</u>	<u>254,674</u>	<u>254,674</u>	
Cash Funds	44,472	84,270	84,270	84,270	
Cash Funds Exempt	81,851	92,034	92,034	92,034	
Federal Funds	39,618	78,369	78,370	78,370	
					Request vs. Approp.
Subtotal - Air Quality Monitoring	1,571,311	1,703,892	1,736,464	1,751,526	0.9%
FTE	<u>16.9</u>	<u>17.1</u>	<u>18.6</u>	<u>18.6</u>	0.0%
Cash Funds	100,813	141,565	144,344	144,526	0.1%
FTE	1.3	1.3	1.7	1.7	0.0%
Cash Funds Exempt	1,153,827	1,177,255	1,188,092	1,203,591	1.3%
FTE	12.8	12.8	12.5	12.5	0.0%
Federal Funds	316,671	385,072	404,028	403,409	-0.2%
FTE	2.8	3.0	4.4	4.4	0.0%

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests
(2) Modeling and Analysis					
Personal Services	780,830	731,424	843,555	846,809	
FTE	9.4	9.3	11.1	11.1	
Cash Funds	84,543	79,846	81,970	83,783	
FTE	1.4	1.4	1.4	1.4	
Cash Funds Exempt	189,070	181,572	188,016	190,604	
FTE	2.4	2.4	2.4	2.4	
Federal Funds	507,217	470,006	573,569	572,422	
FTE	5.6	5.5	7.3	7.3	
Operating Expenses	<u>448,931</u>	<u>550,061</u>	<u>248,370</u>	<u>248,370</u>	
Cash Funds	12,759	15,005	15,005	15,005	
Cash Funds Exempt	118,061	124,294	124,295	124,295	
Federal Funds	318,111	410,762	109,070	109,070	
					Request vs. Approp.
Subtotal - Modeling and Analysis	1,229,761	1,281,485	1,091,925	1,095,179	0.3%
FTE	9.4	9.3	11.1	11.1	0.0%
Cash Funds	97,302	94,851	96,975	98,788	1.9%
FTE	1.4	1.4	1.4	1.4	0.0%
Cash Funds Exempt	307,131	305,866	312,311	314,899	0.8%
FTE	2.4	2.4	2.4	2.4	0.0%
Federal Funds	825,328	880,768	682,639	681,492	-0.2%
FTE	5.6	5.5	7.3	7.3	0.0%
(3) Visibility and Risk Assessment					
Personal Services	419,177	431,776	439,538	447,265	
FTE	5.2	4.9	5.4	5.4	
Cash Funds	252,233	245,098	255,288	261,671	
FTE	2.8	2.8	2.8	2.8	
Cash Funds Exempt	76,374	75,875	77,517	79,074	
FTE	1.0	1.0	1.0	1.0	
Federal Funds	90,570	110,803	106,733	106,520	
FTE	1.4	1.1	1.6	1.6	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests
Operating Expenses - FF	23,253	39,141	39,142	39,142	
					Request vs. Approp.
Subtotal - Visibility and Risk Assessmt	442,430	470,917	478,680	486,407	1.6%
FTE	<u>5.2</u>	<u>4.9</u>	<u>5.4</u>	<u>5.4</u>	0.0%
Cash Funds	252,233	245,098	255,288	261,671	2.5%
FTE	2.8	2.8	2.8	2.8	0.0%
Cash Funds Exempt	76,374	75,875	77,517	79,074	2.0%
FTE	1.0	1.0	1.0	1.0	0.0%
Federal Funds	113,823	149,944	145,875	145,662	-0.1%
FTE	1.4	1.1	1.6	1.6	0.0%
					Request vs. Approp.
SUBTOTAL - Technical Services	3,243,502	3,456,294	3,307,069	3,333,112	0.8%
FTE	<u>31.5</u>	<u>31.3</u>	<u>35.1</u>	<u>35.1</u>	0.0%
Cash Funds	450,348	481,514	496,607	504,985	1.7%
FTE	5.5	5.5	5.9	5.9	0.0%
Cash Funds Exempt	1,537,332	1,558,996	1,577,920	1,597,564	1.2%
FTE	16.2	16.2	15.9	15.9	0.0%
Federal Funds	1,255,822	1,415,784	1,232,542	1,230,563	-0.2%
FTE	9.8	9.6	13.3	13.3	0.0%
(C) Mobile Sources					
(1) Research and Support					
Personal Services	1,465,571	1,506,112	1,546,469	1,559,756	
FTE	<u>18.4</u>	<u>19.6</u>	<u>20.0</u>	<u>20.0</u>	
Cash Funds Exempt	1,304,512	1,314,958	1,346,505	1,360,192	
FTE	16.4	17.1	17.1	17.1	
Federal Funds	161,059	191,154	199,964	199,564	
FTE	2.0	2.5	2.9	2.9	
Operating Expenses	<u>304,372</u>	<u>306,377</u>	<u>306,377</u>	<u>306,377</u>	
Cash Funds Exempt	288,124	288,127	288,127	288,127	
Federal Funds	16,248	18,250	18,250	18,250	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests Request vs. Approp.
Subtotal - Research and Support	1,769,943	1,812,489	1,852,846	1,866,133	0.7%
FTE	18.4	19.6	20.0	20.0	0.0%
Cash Funds Exempt	1,592,636	1,603,085	1,634,632	1,648,319	0.8%
FTE	16.4	17.1	17.1	17.1	0.0%
Federal Funds	177,307	209,404	218,214	217,814	-0.2%
FTE	2.0	2.5	2.9	2.9	0.0%
 (2) Inspection and Maintenance					
Personal Services - CFE	687,115	694,042	725,755	738,301	
FTE	9.3	9.3	9.8	9.8	
Operating Expenses - CFE	35,984	36,407	36,638	36,638	
Diesel Inspection/Maintenance Program	629,992	608,167	637,884	640,225	
FTE	6.6	6.3	6.6	6.6	
Cash Funds	158,046	152,589	175,153	174,803	
FTE	1.7	1.5	1.8	1.8	
Cash Funds Exempt	471,946	455,578	462,731	465,422	
FTE	4.9	4.8	4.8	4.8	
Emission Testing Clean Screen - CFE	n/a	n/a	250,000 a/	0	
FTE			1.5 a/	0.0	
Mechanic Certification Program - CF	1,250	2,150	7,000	7,000	
FTE	0.0	0.0	0.1	0.1	
Local Grants - CFE	45,298	45,176	45,299	45,299	
Request vs. Approp.					
Subtotal - Inspection and Maintenance	1,399,639	1,385,942	1,702,576	1,467,463	-13.8%
FTE	15.9	15.6	18.0	16.5	-8.3%
Cash Funds	159,296	154,739	182,153	181,803	-0.2%
FTE	1.7	1.5	1.9	1.9	0.0%
Cash Funds Exempt	1,240,343	1,231,203	1,520,423	1,285,660	-15.4%
FTE	14.2	14.1	16.1	14.6	-9.3%

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests
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a/ Per H.B. 06-1302, this appropriation includes 1.5 FTE and \$250,000 cash funds exempt from the Clean Screen Fund, from moneys received from the Clean Screen Authority, for costs associated with developing a "high emitter" auto emissions testing program and increasing clean screen testing. The bill had no FY 2007-08 fiscal impact.

Request vs. Approp.

SUBTOTAL - Mobile Sources	3,169,582	3,198,431	3,555,422	3,333,596	-6.2%
FTE	<u>34.3</u>	<u>35.2</u>	<u>38.0</u>	<u>36.5</u>	-3.9%
Cash Funds	159,296	154,739	182,153	181,803	-0.2%
FTE	1.7	1.5	1.9	1.9	0.0%
Cash Funds Exempt	2,832,979	2,834,288	3,155,055	2,933,979	-7.0%
FTE	30.6	31.2	33.2	31.7	-4.5%
Federal Funds	177,307	209,404	218,214	217,814	-0.2%
FTE	2.0	2.5	2.9	2.9	0.0%

(D) Stationary Sources

(1) Inventory and Support Services

Personal Services	1,418,231	1,477,053	1,668,752	1,685,921
FTE	<u>19.2</u>	<u>19.6</u>	<u>23.1</u>	<u>23.1</u>
Cash Funds	898,361	942,543	1,083,907	1,102,246
FTE	11.4	12.1	14.2	14.2
Federal Funds	519,870	534,510	584,845	583,675
FTE	7.8	7.5	8.9	8.9
Operating Expenses - CF	253,480	263,189	258,661	258,661

Request vs. Approp.

Subtotal - Inventory and Support Services	1,671,711	1,740,242	1,927,413	1,944,582	0.9%
FTE	<u>19.2</u>	<u>19.6</u>	<u>23.1</u>	<u>23.1</u>	0.0%
Cash Funds	1,151,841	1,205,732	1,342,568	1,360,907	1.4%
FTE	11.4	12.1	14.2	14.2	0.0%
Federal Funds	519,870	534,510	584,845	583,675	-0.2%
FTE	7.8	7.5	8.9	8.9	0.0%

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests
(2) Permits and Compliance Assurance					
Personal Services	2,752,966	2,729,860	2,886,505	3,163,274	
FTE	<u>36.6</u>	<u>36.3</u>	<u>39.1</u>	<u>42.1</u>	
Cash Funds	2,212,576	2,131,312	2,181,549	2,459,728	DI #6
FTE	30.2	30.5	30.5	33.5	
Cash Funds Exempt	0	99,243	99,045	98,847	
Federal Funds	540,390	499,305	605,911	604,699	
FTE	6.4	5.8	8.6	8.6	
Operating Expenses	<u>37,877</u>	<u>46,916</u>	<u>38,092</u>	<u>106,964</u>	
Cash Funds	31,492	31,762	31,762	100,634	DI #6
Federal Funds	6,385	15,154	6,330	6,330	
Local Contracts	<u>581,110</u>	<u>608,119</u>	<u>563,492</u>	<u>563,492</u>	
Cash Funds	319,113	319,114	319,114	319,114	
Federal Funds	261,997	289,005	244,378	244,378	
					Request vs. Approp.
Subtotal - Permits and Compliance					
Assurance	3,371,953	3,384,895	3,488,089	3,833,730	9.9%
FTE	<u>36.6</u>	<u>36.3</u>	<u>39.1</u>	<u>42.1</u>	7.7%
Cash Funds	2,563,181	2,482,188	2,532,425	2,879,476	13.7%
FTE	30.2	30.5	30.5	33.5	9.8%
Cash Funds Exempt	0	99,243	99,045	98,847	-0.2%
Federal Funds	808,772	803,464	856,619	855,407	-0.1%
FTE	6.4	5.8	8.6	8.6	0.0%
(3) Hazardous and Toxic Control					
Personal Services	818,812	767,365	859,632	873,400	
FTE	<u>12.3</u>	<u>11.4</u>	<u>12.0</u>	<u>12.0</u>	
Cash Funds	656,116	654,719	672,067	686,210	
FTE	9.8	9.8	9.8	9.8	
Federal Funds	162,696	112,646	187,565	187,190	
FTE	2.5	1.6	2.2	2.2	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests
Operating Expenses - CF	63,719	63,762	63,763	63,763	
Preservation of the Ozone Layer	118,370	129,374	206,075	210,240	
FTE	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds	103,342	103,257	144,643	148,931	
FTE	1.7	2.0	2.0	2.0	
Cash Funds Exempt	15,028	26,117	61,432	61,309	
FTE	0.3	0.0	0.0	0.0	
					Request vs. Approp.
Subtotal - Hazardous and Toxic Control	1,000,901	960,501	1,129,470	1,147,403	1.6%
FTE	<u>14.3</u>	<u>13.4</u>	<u>14.0</u>	<u>14.0</u>	0.0%
Cash Funds	823,177	821,738	880,473	898,904	2.1%
FTE	11.5	11.8	11.8	11.8	0.0%
Cash Funds Exempt	15,028	26,117	61,432	61,309	-0.2%
FTE	0.3	0.0	0.0	0.0	n/a
Federal Funds	162,696	112,646	187,565	187,190	-0.2%
FTE	2.5	1.6	2.2	2.2	0.0%
(4) Housed Commercial Swine Feeding Operation (HCSFO) Program					
Personal Services - CF	n/a	n/a	28,858	28,858	a/
FTE			0.5	0.5	a/
Operating Expenses - CF	n/a	n/a	12,610	12,610	a/
Capital Outlay - CF	n/a	n/a	6,010	0	a/
Transfer to Department of Law - CF	n/a	n/a	4,834	4,834	a/
					Request vs. Approp.
Subtotal - HCSFO Program - CF			52,312	46,302	-11.5%
FTE			0.5	0.5	0.0%

a/ Per S.B. 06-114, these appropriations include \$52,312 cash funds from the Housed Commercial Swine Feeding Operation Fund and 0.5 FTE for costs associated with additional regulations of housed commercial swine feeding operations.

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change Requests
	Actual	Actual	Approp.	Request	Request vs. Approp.
SUBTOTAL - Stationary Sources	6,044,565	6,085,638	6,597,284	6,972,017	5.7%
FTE	<u>70.1</u>	<u>69.3</u>	<u>76.7</u>	<u>79.7</u>	3.9%
Cash Funds	4,538,199	4,509,658	4,807,778	5,185,589	7.9%
FTE	53.1	54.4	57.0	60.0	5.3%
Cash Funds Exempt	15,028	125,360	160,477	160,156	-0.2%
FTE	0.3	0.0	0.0	0.0	n/a
Federal Funds	1,491,338	1,450,620	1,629,029	1,626,272	-0.2%
FTE	16.7	14.9	19.7	19.7	0.0%
					Request vs. Approp.
TOTAL - (5) AIR QUALITY CONTROL					
DIVISION	14,992,604	15,350,370	16,257,008	16,442,167	1.1%
FTE	<u>140.4</u>	<u>140.3</u>	<u>154.3</u>	<u>155.8</u>	1.0%
Cash Funds	6,317,323	6,317,394	6,751,654	7,141,496	5.8%
FTE	61.9	63.0	66.4	69.4	4.5%
Cash Funds Exempt	5,213,176	5,401,833	5,890,698	5,691,333	-3.4%
FTE	48.6	48.9	50.6	49.1	-3.0%
Federal Funds	3,462,105	3,631,143	3,614,656	3,609,338	-0.1%
FTE	29.9	28.4	37.3	37.3	0.0%

FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests
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(6) WATER QUALITY CONTROL DIVISION

The Division enforces water quality regulations adopted by the Water Quality Control Commission and the State Board of Health through stream classifications and standards, discharge permits, site application reviews, technical assistance, and the drinking water surveillance. Cash fund and cash exempt sources include the Water Quality Control Fund, the Sludge Management Program Fund, the Industrial Pretreatment Fund, the Drinking Water Fund, and the Groundwater Protection Fund.

(A) Administration

Personal Services	921,553	897,584	832,049	856,253	
FTE	<u>13.6</u>	<u>13.7</u>	<u>13.8</u>	<u>13.8</u>	
General Fund	0	526,122	448,550	468,737	
FTE	0.0	7.8	7.8	7.8	
Cash Funds	685,130	167,802	169,925	174,369	
FTE	9.8	2.7	2.7	2.7	
Federal Funds	236,423	203,660	213,574	213,147	
FTE	3.8	3.2	3.3	3.3	
Operating Expenses	<u>108,558</u>	<u>51,230</u>	<u>52,356</u>	<u>52,356</u>	
General Fund	0	18,834	18,834	18,834	
Cash Funds	20,996	3,459	3,459	3,459	
Federal Funds	87,562	28,937	30,063	30,063	
Capital Outlay	<u>0</u>	<u>0</u>	<u>30,051</u>	<u>83,608</u>	
General Fund	0	0	27,046	11,445	DI #2
Cash Funds	0	0	3,005	72,163	DI #2
Indirect Cost Assessment	<u>1,739,726</u>	<u>1,505,166</u>	<u>1,467,821</u>	<u>1,568,514</u>	
Cash Funds	801,985	522,610	541,635 a/	642,328	DI #2
Cash Funds Exempt	31,121	26,189	26,189	26,189	
Federal Funds	906,620	956,367	899,997	899,997	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests Request vs. Approp.
SUBTOTAL - Administration	2,769,837	2,453,980	2,382,277	2,560,731	7.5%
FTE	<u>13.6</u>	<u>13.7</u>	<u>13.8</u>	<u>13.8</u>	0.0%
General Fund	0	544,956	494,430	499,016	0.9%
FTE	0.0	7.8	7.8	7.8	0.0%
Cash Funds	1,508,111	693,871	718,024	892,319	24.3%
FTE	9.8	2.7	2.7	2.7	0.0%
Cash Funds Exempt	31,121	26,189	26,189	26,189	0.0%
Federal Funds	1,230,605	1,188,964	1,143,634	1,143,207	0.0%
FTE	3.8	3.2	3.3	3.3	0.0%

a/ Per H.B. 06-1337, which revised civil penalty for violations of water quality control provisions, the appropriation includes \$14,650 cash funds from the Water Quality Improvement Fund for administration costs associated with the programs outlined in this bill.

(B) Watershed Assessment, Outreach, and Assistance

Personal Services	2,170,901	2,601,982	2,729,397	2,872,260	
FTE	<u>29.8</u>	<u>25.0</u>	<u>37.6</u>	<u>39.6</u>	
General Fund	0	228,036	278,946	419,383	DI #2
FTE	0.0	4.4	5.4	7.4	
Cash Funds	501,900	299,722	292,244	298,986	
FTE	5.0	3.3	3.3	3.3	
Cash Funds Exempt	32,827	32,936	39,549	39,470	
FTE	0.4	0.0	0.6	0.6	
Federal Funds	1,636,174	2,041,288	2,118,658	2,114,421	
FTE	24.4	17.3	28.3	28.3	
Operating Expenses	<u>529,391</u>	<u>529,750</u>	<u>524,768</u>	<u>525,768</u>	
General Fund	0	374,207	376,207	377,207	DI #2
Cash Funds	374,207	0	0	0	
Cash Funds Exempt	1,674	360	1,675	1,675	
Federal Funds	153,510	155,183	146,886	146,886	
Local Grants and Contracts - FF	1,552,090	1,845,276	2,136,456	2,136,456	
Water Quality Improvement - CF	n/a	n/a	278,340 a/	239,371	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests Request vs. Approp.
SUBTOTAL - Watershed Assessment, Outreach,					
and Assistance	4,252,382	4,977,008	5,668,961	5,773,855	1.9%
FTE	<u>29.8</u>	<u>25.0</u>	<u>37.6</u>	<u>39.6</u>	5.3%
General Fund	0	602,243	655,153	796,590	21.6%
FTE	0.0	4.4	5.4	7.4	37.0%
Cash Funds	876,107	299,722	570,584	538,357	-5.6%
FTE	5.0	3.3	3.3	3.3	0.0%
Cash Funds Exempt	34,501	33,296	41,224	41,145	-0.2%
FTE	0.4	0.0	0.6	0.6	0.0%
Federal Funds	3,341,774	4,041,747	4,402,000	4,397,763	-0.1%
FTE	24.4	17.3	28.3	28.3	0.0%

a/ Per H.B. 06-1337, this appropriation includes \$292,990 cash funds from the Water Quality Improvement Fund. These funds will come from revenue due to increases in civil penalties for violations of water quality control provisions, and will be used for grants for impacted communities or matching funds for certain federal programs.

(C) Permitting and Compliance Assurance

Personal Services	3,101,424	2,740,482	2,938,965	3,331,910	
FTE	<u>38.9</u>	<u>39.9</u>	<u>37.8</u>	<u>42.8</u>	
General Fund	0	98,432	190,761	267,430	DI #2
FTE	0.0	1.5	3.0	4.0	DI #2
Cash Funds	2,130,795	2,065,081	2,147,895	2,465,372	DI #2
FTE	32.3	27.9	28.9	32.9	DI #2
Cash Funds Exempt	148,699	153,469	160,761	160,439	
FTE	2.0	2.2	2.2	2.2	
Federal Funds	821,930	423,500	439,548	438,669	
FTE	4.6	8.3	3.7	3.7	
Operating Expenses	<u>375,404</u>	<u>251,259</u>	<u>376,746</u>	<u>383,114</u>	
General Fund	0	39,706	227,706	228,206	DI #2
Cash Funds	144,855	105,149	107,149	113,017	DI #2
Cash Funds Exempt	10,728	10,727	10,727	10,727	
Federal Funds	219,821	95,677	31,164	31,164	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests Request vs. Approp.
SUBTOTAL - Permitting and Compliance					
Assurance	3,476,828	2,991,741	3,315,711	3,715,024	12.0%
FTE	<u>38.9</u>	<u>39.9</u>	<u>37.8</u>	<u>42.8</u>	13.2%
General Fund	0	138,138	418,467	495,636	18.4%
FTE	0.0	1.5	3.0	4.0	33.3%
Cash Funds	2,275,650	2,170,230	2,255,044	2,578,389	14.3%
FTE	32.3	27.9	28.9	32.9	13.8%
Cash Funds Exempt	159,427	164,196	171,488	171,166	-0.2%
FTE	2.0	2.2	2.2	2.2	0.0%
Federal Funds	1,041,751	519,177	470,712	469,833	-0.2%
FTE	4.6	8.3	3.7	3.7	0.0%
(D) Drinking Water Program					
Personal Services	2,763,141	2,928,718	2,939,548	2,949,236	
FTE	<u>35.3</u>	<u>40.4</u>	<u>41.4</u>	<u>41.4</u>	
General Fund	0	505,318	827,147	841,060	
FTE	0.0	8.6	15.1	15.1	
Cash Funds	498,399	0	0	0	
FTE	7.0	0.0	0.0	0.0	
Federal Funds	2,264,742	2,423,400	2,112,401	2,108,176	
FTE	28.3	31.8	26.3	26.3	
Operating Expenses	<u>183,659</u>	<u>155,900</u>	<u>211,833</u>	<u>211,833</u>	
General Fund	0	31,888	94,887	94,887	
Cash Funds	31,891	0	0	0	
Federal Funds	151,768	124,012	116,946	116,946	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change Requests
	Actual	Actual	Approp.	Request	Request vs. Approp.
SUBTOTAL - Drinking Water Program	2,946,800	3,084,618	3,151,381	3,161,069	
FTE	<u>35.3</u>	<u>40.4</u>	<u>41.4</u>	<u>41.4</u>	0.0%
General Fund	0	537,206	922,034	935,947	1.5%
FTE	0.0	8.6	15.1	15.1	0.0%
Cash Funds	530,290	0	0	0	n/a
FTE	7.0	0.0	0.0	0.0	n/a
Federal Funds	2,416,510	2,547,412	2,229,347	2,225,122	-0.2%
FTE	28.3	31.8	26.3	26.3	0.0%
					Request vs. Approp.
TOTAL - (6) WATER QUALITY CONTROL					
DIVISION	13,445,847	13,507,347	14,518,330	15,210,679	4.8%
FTE	<u>117.6</u>	<u>118.9</u>	<u>130.6</u>	<u>137.6</u>	5.4%
General Fund	0	1,822,543	2,490,084	2,727,189	9.5%
FTE	0.0	22.3	31.3	34.3	9.6%
Cash Funds	5,190,158	3,163,823	3,543,652	4,009,065	13.1%
FTE	54.1	33.9	34.9	38.9	11.5%
Cash Funds Exempt	225,049	223,681	238,901	238,500	-0.2%
FTE	2.4	2.2	2.8	2.8	0.0%
Federal Funds	8,030,640	8,297,300	8,245,693	8,235,925	-0.1%
FTE	61.1	60.6	61.6	61.6	0.0%

FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests
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(7) HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION

The Division enforces the solid and hazardous waste regulations adopted by the Hazardous Waste Commission, providing for cradle-to-grave management of hazardous waste in Colorado to ensure that it does not contaminate the environment or endanger public health. The primary sources of cash funds and cash funds exempt are the Hazardous Waste Service Fund, the Hazardous Waste Commission Fund, the Hazardous Substance Response Fund, the Radiation Control Fund, the Solid Waste Management Fund, and the Waste Tire Recycling Development Cash Fund. Additional cash funds exempt comes from transfers from the Department of Transportation and the Department of Local Affairs.

(A) Administration

Program Costs	194,849	166,640	284,367	295,025	
FTE	<u>1.9</u>	<u>3.5</u>	<u>3.4</u>	<u>3.4</u>	
Cash Funds	194,849	166,640	192,815	198,068	
FTE	1.9	3.5	3.1	3.1	
Cash Funds Exempt	0	0	68,973	74,423	
Federal Funds	0	0	22,579	22,534	
FTE	0.0	0.0	0.3	0.3	
Legal Services	312,405	392,978	419,022	416,446	
hours	<u>6,145</u>	<u>6,202</u>	<u>6,183</u>	<u>6,145</u>	
Cash Funds	167,317	229,522	243,287	240,711	
Cash Funds Exempt	386	1,849	4,622	4,622	
Federal Funds	144,702	161,607	171,113	171,113	
Indirect Cost Assessment	<u>1,734,711</u>	<u>1,812,596</u>	<u>2,171,988</u>	<u>2,179,651</u>	
Cash Funds	856,806	899,486	1,061,072	1,061,072	
Cash Funds Exempt	40,062	30,087	45,916	53,579	NP DI
Federal Funds	837,843	883,023	1,065,000	1,065,000	
					Request vs. Approp.
SUBTOTAL - Administration	2,241,965	2,372,214	2,875,377	2,891,122	0.5%
FTE	<u>1.9</u>	<u>3.5</u>	<u>3.4</u>	<u>3.4</u>	0.0%
Cash Funds	1,218,972	1,295,648	1,497,174	1,499,851	0.2%
FTE	1.9	3.5	3.1	3.1	0.0%
Cash Funds Exempt	40,448	31,936	119,511	132,624	11.0%
Federal Funds	982,545	1,044,630	1,258,692	1,258,647	0.0%
FTE	0.0	0.0	0.3	0.3	0.0%

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests
(B) Hazardous Waste Control Program					
Personal Services	2,802,827	2,797,630	2,960,529	2,954,608	
FTE	<u>35.1</u>	<u>34.1</u>	<u>38.2</u>	<u>38.2</u>	
Cash Funds	1,118,052	1,099,628	1,290,756	1,288,174	
FTE	14.0	13.5	17.6	17.6	
Federal Funds	1,684,775	1,698,002	1,669,773	1,666,434	
FTE	21.1	20.6	20.6	20.6	
Operating Expenses	<u>200,574</u>	<u>177,033</u>	<u>213,571</u>	<u>213,571</u>	
Cash Funds	43,443	45,393	45,663	45,663	
Federal Funds	157,131	131,640	167,908	167,908	
					Request vs. Approp.
SUBTOTAL - Hazardous Waste Control	3,003,401	2,974,663	3,174,100	3,168,179	-0.2%
FTE	<u>35.1</u>	<u>34.1</u>	<u>38.2</u>	<u>38.2</u>	0.0%
Cash Funds	1,161,495	1,145,021	1,336,419	1,333,837	-0.2%
FTE	14.0	13.5	17.6	17.6	0.0%
Federal Funds	1,841,906	1,829,642	1,837,681	1,834,342	-0.2%
FTE	21.1	20.6	20.6	20.6	0.0%
(C) Solid Waste Control Program					
Program Costs	1,019,355	1,060,455	1,373,283	1,400,361	Request vs. Approp. 2.0%
FTE	<u>11.5</u>	<u>13.5</u>	<u>12.5</u>	<u>12.5</u>	0.0%
Cash Funds	963,243	1,060,455	1,373,283	1,400,361	2.0%
FTE	10.8	13.5	12.5	12.5	0.0%
Cash Funds Exempt	35,360	0	0	0	n/a
FTE	0.4	0.0	0.0	0.0	n/a
Federal Funds	20,752	0	0	0	n/a
FTE	0.3	0.0	0.0	0.0	n/a

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests
(D) Uranium Mill Tailings Remedial Action Program					
Program Costs	216,691	195,479	230,779	230,316	Request vs. Approp. -0.2%
FTE	<u>2.9</u>	<u>3.1</u>	<u>3.1</u>	<u>3.1</u>	0.0%
Cash Funds Exempt	188,580	173,838	185,508	185,045	-0.2%
FTE	2.5	2.6	2.6	2.6	0.0%
Federal Funds	28,111	21,641	45,271	45,271	0.0%
FTE	0.4	0.5	0.5	0.5	0.0%
(E) Contaminated Site Cleanups					
Personal Services	4,000,234	5,139,525	5,006,963	5,054,778	
FTE	<u>38.4</u>	<u>36.5</u>	<u>43.4</u>	<u>43.4</u>	
Cash Funds	698,550	762,209	1,054,054	1,073,885	
FTE	9.4	8.8	13.0	13.0	
Cash Funds Exempt	0	0	0	35,890	NP DI
Federal Funds	3,301,684	4,377,316	3,952,909	3,945,003	
FTE	29.0	27.7	30.4	30.4	
Operating Expenses	<u>203,700</u>	<u>252,598</u>	<u>240,141</u>	<u>241,270</u>	
Cash Funds	41,451	45,991	48,082	48,082	
Cash Funds Exempt	0	0	0	1,129	NP DI
Federal Funds	162,249	206,607	192,059	192,059	
Contaminated Sites Operation & Maintenance	<u>978,783</u>	<u>936,238</u>	<u>2,088,864</u>	<u>2,088,864</u>	
Cash Funds	140,691	136,902	260,186	260,186	
Federal Funds	838,092	799,336	1,828,678	1,828,678	
Transfer to the Department of Law for CERCLA Contract Oversight-Related Costs - CF	868,000	1,069,825	425,000	425,000	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests Request vs. Approp.
SUBTOTAL - Contaminated Site Cleanups	6,050,717	7,398,186	7,760,968	7,809,912	0.6%
FTE	<u>38.4</u>	<u>36.5</u>	<u>43.4</u>	<u>43.4</u>	0.0%
Cash Funds	1,748,692	2,014,927	1,787,322	1,807,153	1.1%
FTE	9.4	8.8	13.0	13.0	0.0%
Cash Funds Exempt	0	0	0	37,019	n/a
Federal Funds	4,302,025	5,383,259	5,973,646	5,965,740	-0.1%
FTE	29.0	27.7	30.4	30.4	0.0%
(F) Rocky Flats Agreement					
Program Costs - FF	1,258,857	691,421	1,021,845	244,781	Base reduction
FTE	14.8	8.0	6.4	2.3	Base reduction
Legal Services - FF	24,628	25,780	27,108	9,409	Base reduction
Hours		400	400	139	
Request vs. Approp.					
SUBTOTAL - Rocky Flats Agreement - FF	1,283,485	717,201	1,048,953	254,190	-75.8%
FTE	14.8	8.0	6.4	2.3	-64.1%
(G) Radiation Management					
Personal Services	1,744,418	2,313,230	1,662,405	1,768,781	
FTE	<u>19.8</u>	<u>19.4</u>	<u>20.5</u>	<u>21.5</u>	
Cash Funds	1,352,649	1,410,885	1,454,815	1,561,607	DI #9
FTE	17.2	17.1	18.2	19.2	DI #9
Cash Funds Exempt	0	0	23,770	23,722	
Federal Funds	391,769	902,345	183,820	183,452	
FTE	2.6	2.3	2.3	2.3	
Operating Expenses	<u>350,194</u>	<u>289,758</u>	<u>221,145</u>	<u>232,830</u>	
Cash Funds	62,142	63,309	63,659	75,344	DI #9
Federal Funds	288,052	226,449	157,486	157,486	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change Requests
	Actual	Actual	Approp.	Request	Request vs. Approp.
SUBTOTAL - Radiation Management	2,094,612	2,602,988	1,883,550	2,001,611	6.3%
FTE	<u>19.8</u>	<u>19.4</u>	<u>20.5</u>	<u>21.5</u>	4.9%
Cash Funds	1,414,791	1,474,194	1,518,474	1,636,951	7.8%
FTE	17.2	17.1	18.2	19.2	5.5%
Cash Funds Exempt	0	0	23,770	23,722	-0.2%
Federal Funds	679,821	1,128,794	341,306	340,938	-0.1%
FTE	2.6	2.3	2.3	2.3	0.0%
					Request vs. Approp.
SUBTOTAL - (7) HAZARDOUS MATERIALS					
WASTE MANAGEMENT DIVISION	15,910,226	17,321,186	18,347,010	17,755,691	-3.2%
FTE	<u>124.4</u>	<u>118.1</u>	<u>127.5</u>	<u>124.4</u>	-2.4%
Cash Funds	6,507,193	6,990,245	7,512,672	7,678,153	2.2%
FTE	53.3	56.4	64.4	65.4	1.6%
Cash Funds Exempt	264,388	205,774	328,789	378,410	15.1%
FTE	2.9	2.6	2.6	2.6	0.0%
Federal Funds	9,138,645	10,125,167	10,505,549	9,699,128	-7.7%
FTE	68.2	59.1	60.5	56.4	-6.8%

FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests
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(8) CONSUMER PROTECTION

The Consumer Protection Division is responsible for programs designed to protect the public from disease and injury through identification and control of environmental factors in food, drugs, medical devices, institutions, consumer products, and insect and rodent vectors affecting public health. The primary sources of cash funds and cash funds exempt are the Food Protection Cash Fund, the Wholesale Food Manufacturing and Storage Protection Fund, and the Artificial Tanning Device Education Fund. Additional cash funds exempt comes from transfers from the Department of Corrections and the Department of Human Services.

Personal Services	1,908,786	1,911,376	2,032,973 a/	2,071,780	
FTE	<u>27.6</u>	<u>24.6</u>	<u>27.8</u>	<u>27.9</u>	
General Fund	959,634	961,220	1,061,027 a/	1,231,024	Fee Change, NP DI
FTE	14.1	13.0	15.9	17.9	
Cash Funds	590,838	587,093	624,407 a/	490,530	Fee Change, NP DI
FTE	8.8	7.5	7.5	5.6	
Cash Funds Exempt	106,710	123,452	68,157	71,403	
FTE	1.1	1.0	2.0	2.0	
Federal Funds	251,604	239,611	279,382	278,823	
FTE	3.6	3.1	2.4	2.4	
Operating Expenses	<u>113,704</u>	<u>135,307</u>	<u>109,470</u>	<u>174,342</u>	
General Fund	17,121	17,121	20,508	85,579	Fee Change, DI #4
Cash Funds	58,307	51,510	51,510	51,311	Fee Change
Cash Funds Exempt	6,164	8,900	8,900	8,900	
Federal Funds	32,112	57,776	28,552	28,552	
Indirect Cost Assessment	<u>185,099</u>	<u>180,564</u>	<u>220,600</u>	<u>194,718</u>	
Cash Funds	138,892	132,327	135,333	109,451	Fee Change
Cash Funds Exempt	0	0	10,457	10,457	
Federal Funds	46,207	48,237	74,810	74,810	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	Change Requests Request vs. Approp.
TOTAL - (8) CONSUMER PROTECTION					
DIVISION	2,207,589	2,227,247	2,363,043	2,440,840	3.3%
FTE	<u>27.6</u>	<u>24.6</u>	<u>27.8</u>	<u>27.9</u>	0.4%
General Fund	976,755	978,341	1,081,535	1,316,603	21.7%
FTE	14.1	13.0	15.9	17.9	12.6%
Cash Funds	788,037	770,930	811,250	651,292	-19.7%
FTE	8.8	7.5	7.5	5.6	-25.3%
Cash Funds Exempt	112,874	132,352	87,514	90,760	3.7%
FTE	1.1	1.0	2.0	2.0	0.0%
Federal Funds	329,923	345,624	382,744	382,185	-0.1%
FTE	3.6	3.1	2.4	2.4	0.0%

a/ In September 2006, the JBC approved an emergency supplemental appropriation for this line item related to the implementation of H.B. 06S-1023, Restrictions on Defined Public Benefits. The emergency appropriation increased funding for this line item by \$4,133, comprised of \$2,506 General Fund and \$1,627 cash funds. However, that funding is not included in the figures shown as it has not yet been approved by the General Assembly.

					Request vs. Approp.
TOTAL - ENVIRONMENTAL DIVISIONS	46,556,266	48,406,150	51,485,391	51,849,377	0.7%
FTE	<u>410.0</u>	<u>401.9</u>	<u>440.2</u>	<u>445.7</u>	1.2%
General Fund	976,755	2,800,884	3,571,619	4,043,792	13.2%
FTE	14.1	35.3	47.2	52.2	10.6%
Cash Funds	18,802,711	17,242,392	18,619,228	19,480,006	4.6%
FTE	178.1	160.8	173.2	179.3	3.5%
Cash Funds Exempt	5,815,487	5,963,640	6,545,902	6,399,003	-2.2%
FTE	55.0	54.7	58.0	56.5	-2.6%
Federal Funds	20,961,313	22,399,234	22,748,642	21,926,576	-3.6%
FTE	162.8	151.2	161.8	157.7	-2.5%

**FY 2007-08 Joint Budget Committee Staff Budget Briefing
Department of Public Health and Environment
- Environmental Sections Only -**

Long Bill Footnote Update

- 102 Department of Public Health and Environment, Hazardous Materials and Waste Management Division, Contaminated Site Cleanups --** The Department is requested to submit a report on its CERCLA program. This report is requested to include detailed expenditures for the program, including out-year estimates by project and associated project financing. The report should also include an analysis of long-term funding needs of the State in responding to, litigating, and cleaning up CERCLA sites, including estimated long-term maintenance costs for these sites. The report should also provide information on the Hazardous Substance Response Fund balance and out-year fiscal estimates. This report is requested to be provided to the Joint Budget Committee by no later than November 1, 2006.

Comment: *This footnote was vetoed by the Governor on the grounds that it interferes with the ability of the executive branch to administer the appropriation, that it may constitute substantive legislation, and that it requires a substantial dedication of resources. The Governor directed the Department to comply to the extent feasible. The Department submitted the report on schedule. The CERCLA program and the Hazardous Substance Response Fund (HSRF) is discussed in more detail in the briefing issue beginning on page 59.*

**FY 2007-08 Budget Briefing
Department of Public Health and Environment
- Environmental Divisions Only -**

ISSUE: Environmental Divisions' Performance Measures

DISCUSSION:

For organizational purposes, the Department of Public Health and Environment is comprised of three sections: Administrative Services, Health Divisions, and Environmental Divisions. This briefing issue examines the performance measures for the environmental divisions only, and specifically, the Hazardous Materials and Waste Management Division (HMWMD). The performance measures for the Department's Administrative Services Division and Health Divisions will be evaluated by the JBC analyst responsible for those divisions.

Department Mission

Mission Statement:

"The Colorado Department of Public Health and Environment is committed to protecting and preserving the health and environment of the people of Colorado."

Goals and Performance Measures

The Department's strategic plan is structured around six target areas:

- (1) Public Health
- (2) Environment
- (3) Workforce Development
- (4) Communication
- (5) Emergency Preparedness and Responsiveness
- (6) Community Outreach

As can be seen, the first three target areas are programmatically specific, numbers 4 and 5 overlap with the program areas but have specific staff, and number 6 applies to all the program areas. The strategic plan provides a brief discussion of each target area and several goals and non-quantified sub-goals. The following is an example of a target area goal and some of its sub-goals in the Environment target area that pertain to the HMWMD:

Goal 4: *Conduct and oversee environmental cleanup projects that are protective of human health and the environment, coordinated and consistent with cross-media programs, standards and approaches, and respectful of local community needs and concerns.*

Sub-goal 1: *Ensure that cleanups performed on superfund, federal facility, hazardous waste and voluntary cleanup sites are protective of human health and the environment through the proper analysis of environmental and health risk data, as measured by the number of cleanups occurring in the state that meet state and national standards and guidelines.*

Sub-goal 2: *Identify, implement and measure the use of pollution prevention in cleanup programs, and the redevelopment and reuse of remediated properties.*

There are two other documents related to strategic planning and performance measures. The first is the Schedule 1 which is a lengthy list of Objectives and Division/Program goals. These objectives are coded to the target areas in the strategic plan, and also linked to specific Divisions and programs. Below are examples of Schedule 1 Objectives that pertain to the HMWMD:

1.1.6.12 *Assure the accuracy and safety of radiation-producing machines in medical and industrial including 100% of mammography centers and 40% of all others (HMWMD - RM)*

1.2.4.7 *Ensure protective cleanup through remediation of all Superfund sites (HMWMD-CS)*

1.2.4.77 *Assist local governments in the safe management of uranium mill tailings remaining in communities (HMWMD - UMTRA)*

2.2.1.14 *Ensure that the regulated community receives compliance assistance by facility audits, training forums, assessments of continued or common infractions, and guidance materials as needed (HMWMD - SWC)*

3.2.2.3 *Develop and implement systems for providing information on regulatory compliance and pollution prevention to the regulated community and the general public (HMWMD - HWC).*

The third set of documents related to strategic planning and performance measures are the program crosswalks. Program crosswalks briefly describe each program and give prioritized objectives and quantitative performance measures, including two years of actual data and two years of estimates. However, for the HMWMD, there was only a single objective, and four performance measures related to that objective:

HMWMD Prioritized Objective:

Provide effective administration for activities of the Solid and Hazardous Waste Commission and ensure public awareness of and opportunities for participation in the activities of the Commission.

Staff Analysis

Joint Budget Committee staff reviewed the strategic plan, Schedule 1, and program crosswalks/performance measures submitted with the FY 2007-08 budget request for the Hazardous Materials/Waste Management Division (HMWMD). Staff assessed these performance measures using a common checklist of seven questions, each of which is addressed below.

1. Do the goals and performance measures correspond to the program's directives provided in statute?

The goals outlined in the strategic plan and Schedule 1 Objectives correspond to the various HMWMD programs, including: Radiation Control and the Uranium Mill Tailings Remediation Act (UMTRA) Program (Section 25, Article 11, C.R.S.); Hazardous Waste Management (including the CERCLA/Superfund and Voluntary Clean-up Programs; Section 25, Articles 15 and 16, C.R.S.); and Solid Waste Management (Section 25, Article 17, C.R.S.). However, in these documents, there are no goals or objectives related to the Division's duties in support of the Hazardous Waste Commission (Section 25-15-302, C.R.S.).

On the other hand, the performance measures provided in the program crosswalk only pertain to the Division's duties in support of the Hazardous Waste Commission, not to any of the Division's programmatic duties. The Department reports that there are other performance measures and program goals that are not included in the budget because they would make the documents "extremely long and unmanageable."

Staff did not identify any performance measures that were in conflict with statute.

2. Are the performance measures meaningful to stakeholders, policymakers, and managers?

The Department needs to address two issues to make its strategic plan and performance measures meaningful to stakeholders, policymakers, and managers: (a) Streamline and Focus the Strategic Plan; and (b) Increase Performance Measure Relevance.

(a) Streamline and Focus the Strategic Plan

As described above, there are three "levels" to the Department's strategic plan and performance measures:

- Level 1:** *Strategic Plan.* Includes six target areas, each with up to six goals and 44 sub-goals, for a total of 24 goals and 117 sub-goals.
- Level 2:** *Schedule 1 Objectives.* Lists over 130 objectives that are numerically coded to tie to OSPB objectives, CDPHE target areas, Department objectives, program objectives, and program measures. The numeric coding alone requires two pages of explanation.
- Level 3:** *Program Crosswalks & Performance Measures.* Provides a single objective and four performance measures for the HMWMD.

The strategic plan and the supporting documents should be hierarchical by design. They should start with a broad vision and define a few general, strategic goals for the Department, and then, as one moves down to the program level, there should be many more specific goals and measures. However, the Department's plan is too top heavy, with the strategic plan and Schedule 1 defining an enormous number of both high level and programmatic goals, and the HMWMD program crosswalk containing only one very limited goal (the Department reports that there are other performance measures and program goals that are not included in the budget because they would make the documents "extremely long and unmanageable").

For example, in the strategic plan, Goal 4 for the Environmental target area is a strategic goal:

Conduct and oversee environmental cleanup projects that are protective of human health and the environment, coordinated and consistent with cross-media programs, standards and approaches, and respectful of local community needs and concerns.

This goal is appropriate for the strategic plan as it gives the Division guidance on what is important: Clean-up projects that are (a) protective of human health and the environment, (b) coordinated with cross-media programs, (c) consistent with standards, and (d) respectful of local community needs and concerns. From here, the Division could easily develop specific objectives and performance measures for its clean-up programs that directly relate to these strategic goals.

However, the Strategic Plan then goes on to define three "sub-goals" which while important, get lost when compounded with the 116 other sub-goals and the 130+ objectives in the Schedule 1. Some of the sub-goals should have quantified performance measures, but do not. For example, one sub-goal is: *Assure the accuracy and safety of radiation-producing machines in medical and industrial including 100% of mammography centers and 40% of all others.* This would be a good performance measure in the program crosswalk, but is too specific for the strategic plan where it sets a quantitative goal that is never measured (at least, not to staff's knowledge as there are no performance measures for Radiation Management presented in the budget).

To further complicate things, the "Division/Program" objectives in the Schedule 1 are organized by priority, not by program. This organizational system is of limited usefulness to anyone interested

in the objectives of a particular division or program, since all of the objectives must be read through to find the ones of interest.

In short, the Strategic Plan and Schedule 1 are too top heavy. With 24 goals, 117 sub-goals, and over 130 objectives, how can one determine what is really important? Instead of providing a big picture of what the Department is trying to do and giving strategic objectives to meet, these documents are weighted down with a myriad of targets, goals, and measures, mixing both the broad and strategic with the detailed and program specific. It is difficult to determine what - if any - focus the Department has. While there is much in the documents that could be useful, a lot of it is more appropriate for the program crosswalks.

(b) Increase Performance Measure Relevance

Whereas the Strategic Plan and Schedule 1 Objectives are too detailed, the program crosswalks and performance measures are too lean. The HMWMD has a multitude of important statutory responsibilities and programs, yet there is only one objective presented in the budget, and that objective focuses on the Division's administrative duties to support the Hazardous Waste Commission. At this level, there should be a minimum of one objective per program, plus performance measures for each objective. Some of these objectives and performance measures could be pulled from the Strategic Plan and Schedule 1 which, as discussed above, contain too much detail.

The Department claims there are more goals that are not included in the budget because it would make the documents too long and unmanageable. However, a brief examination of the program crosswalks for the other environmental divisions found inconsistencies in what was included. The Air Quality Control Division has four objectives and four performance measures, and the Water Quality Control Division has two objectives and two performance measures - certainly not enough for Divisions which the number of programs they are responsible for. On the other hand, the Consumer Protection Division had sufficient, useful and meaningful objectives and performance measures in the program crosswalk. This Division has eight objectives covering all of its program areas. Each objective had one to four performance measures that address the number of inspections, follow-ups to inspections, enforcement actions, and the provision of technical assistance, among other things.

In addition, some of the performance measures that are included in the budget are of too easy to comply with and too limited to provide any real value. For example, a goal for the AQCD is to: *Ensure communication of public health goals and air quality plans, and progress to the public and industry.* The only performance measure for this goal is whether the Division submitted an annual report to the public. The strategic plan identifies Communication as a major target area and provides plenty of communication goals, yet the only communication-related performance measure given for the AQCD is whether it complies with its statutory mandate to issue an annual report. Communication-related performance measures that might be more useful include:

- Percentage of local media outlets (newspapers, radio stations, other?) that carry daily air quality announcements during the summer ozone season.
- Number of public service announcements (ads in newspapers, radios, billboards, others?) regarding ways people can reduce their contributions to ground-level ozone development during the summer ozone season.
- Percentage of standards change announcements and compliance information that are sent to permit holders at least one month (two months, three months) prior to deadlines for permit changes or implementation.
- Percentage of permit holders who receive communications from the Division electronically.

3. Does the Department use a variety of performance measures (including input, output, efficiency, quality, outcome)?

As discussed above, there are only four performance measures for the HMWMD are included in the budget request. In addition to identifying performance measures for each program area, the Department should be more selective in choosing its performance measures. The only objective for the HMWMD is to: *Provide effective administration for activities of the Solid and Hazardous Waste Commission and ensure public awareness of and opportunities for participation in the activities of the Commission.* Two of the measures are the number of public notifications filed and the number of informational meetings. The raw numbers do not tell the reader much: Are eight public notifications a good goal? What if there are 25 meetings a year? In this case, more useful goals might be:

- The percentage of hearings for which public notifications are filed at least two weeks (or three weeks, four weeks, etc.) in advance.
- The number of informational meetings per issue addressed by the Committee in a year.

The fourth performance measure is a bit unclear: *Enhance the system for providing information electronically on the Commission's internet page and the hazardous waste regulations and count the number of hits.* Based on additional feedback from the Department, it appears this "performance measure" includes an objective (*Enhance the system for providing information electronically*), and two performance measures: (1) *the number of "hits" to the Commission website*, and (2) *the number of "hits" to the hazardous waste regulations posted on the website.* While the objective is potentially a good one, measuring "hits" does not tell anything about the Division's performance. More useful performance measures might be:

- The percentage of Commission meetings posted on line at least two weeks (or three weeks, or four weeks, etc.) in advance of the meeting.
- The percentage of Commission meetings for which a summary of the meeting is posted on line within one week (or two weeks, etc.) of the meeting.
- The percent change in the number of public comments for Commission meetings received electronically.
- The percentage of total hazardous waste regulations posted on line.

4. Do the performance measures cover all key areas of the budget?

Not in the budget request. For the HMWMD, the Department only provided performance measures for its administrative support of the Hazardous Waste Commission. Performance measures are needed for Radiation Control, the Uranium Mill Tailings Remediation Act (UMTRA) Program, the Hazardous Waste Control Program, the CERCLA/Superfund program, the Voluntary Clean-up Program, and the Solid Waste Control Program.

5. Are the data collected for the performance measures valid, accurate, and reliable?

Staff does not have reason to doubt the veracity of the reported data.

6. Are the performance measures linked to the proposed budget base?

There are no explicit links between the strategic plan, performance measures, and the budget. Additionally, there is no discussion of how a change in the budget would affect performance.

7. Is there a change or consequence if the Department's performance targets are not met?

According to the Department: *Each individual's performance plan is linked to the appropriate performance measures in the program crosswalks. If the performance targets are not met, the issue is dealt with through the personnel performance management process.*

Summary

The Department has identified pertinent target areas and meaningful goals. The problem is that the strategic plan, Schedule 1 and program crosswalks are top heavy, poorly organized, and not integrated, making it hard to identify priorities or use the documents as a management tool. Additionally, relevant and varied performance measures are needed for all program areas.

Questions for the Department of Public Health and Environment

Staff recommends that the Committee discuss the following questions with the Department during the FY 2007-08 budget hearing:

1. How do your performance measures influence department activities and budgeting?
2. To what extent do the performance outcomes reflect appropriation levels?
3. To what extent do you believe that appropriation levels in your budget could or should be tied to specific performance measure outcomes?
4. As a department director, how do you judge your department's performance? What key measures and targets do you use?

**FY 2007-08 Budget Briefing
Department of Public Health and Environment
- Environmental Divisions Only -**

ISSUE: Water Quality Control Division Resource Needs and Decision Item

SUMMARY:

- ❑ In FY 2003-04, due to the state's budget crisis, the Water Quality Control Division's General Fund appropriation was eliminated and replaced with increased wastewater fees and new drinking water fees, pursuant to S.B. 03-276. These fee changes sunset in July 2005 and the Division's funding mix returned to its prior composition. The Division is now relying on a mixture of General Fund, cash fund revenue and reserves, and federal funds, but the appropriated fund mix may be unsustainable in the long-run.

- ❑ Various EPA audits and a report required by S.B. 03-276 enumerated concerns with the Division's ability to adequately fulfill its statutory responsibilities. A lack of resources was identified as a key component to the Division's difficulties.

- ❑ In FY 2006-07, the Department requested and received funding for \$816,404 and 10.0 FTE to address these concerns. For FY 2007-08, the Department's decision item #2 seeks an additional \$628,877 (including 212,067 General Fund) and 7.0 FTE to further address these concerns.

STAFF RECOMMENDATIONS:

Staff recommends that the Department:

- a. Provide a five-year plan that identifies the WQCD's targeted staffing levels for both the CWA and Drinking Water Programs, and the measures it will use to determine whether the programs are fulfilling their responsibilities effectively and efficiently.*
- b. Discuss the long-term funding strategy for this Division to meet its five-year resource needs.*
- c. Provide a schedule of fee changes necessary to: (1) cash fund the entire decision item; and (2) cash fund the entire Water Quality Control Division. The schedules should include the type of permit or service, the current fee, the change in the fee, the new fee, and the anticipated amount of revenue such a change would generate.*

BACKGROUND:

Water Quality Control Division: Legislative Authorization & Responsibilities

The Water Quality Control Division (WQCD) is responsible for maintaining the quality of the state's water resources so that they are safe to drink, support a diversity and abundance of aquatic life, and are suitable for recreation, irrigation, and commercial use. The Division has programs designed to prevent water pollution; protect, restore, and enhance the quality of surface and groundwater; and assure that safe drinking water is provided from all public water systems.

There are two major pieces of federal legislation that regulate water quality - the federal Clean Water Act (CWA) and the federal Safe Drinking Water Act (SDWA) - as well as one main piece of state legislation, the Water Quality Control Act (WQCA). Colorado has received "primacy," or authority, from the U.S. Environmental Protection Agency (EPA) to implement the CWA and the SDWA. Primacy allows states to develop programs tailored to their particular needs; to have flexibility in permit development and enforcement actions; and to respond quickly to local needs and emergencies. If a state program fails to implement or adequately maintain certain program elements over time, EPA may revoke primacy and reclaim responsibility for some or all program elements.¹

The CWA requires states to adopt water quality standards based on waterbody use. These standards are implemented principally through state-issued permits to sources that discharge pollutants into waterways at a specific point ("point sources"). There are also pretreatment requirements for industrial sources that discharge pollutants into municipal sewer systems. States are also required to develop programs to address pollution from diffuse or "non-point" sources, such as run-off from paved surfaces. The Division's programmatic components for the CWA include: water quality monitoring and assessment; permitting; compliance assistance/assurance and enforcement; non-point source program; financial assistance programs; and watershed planning

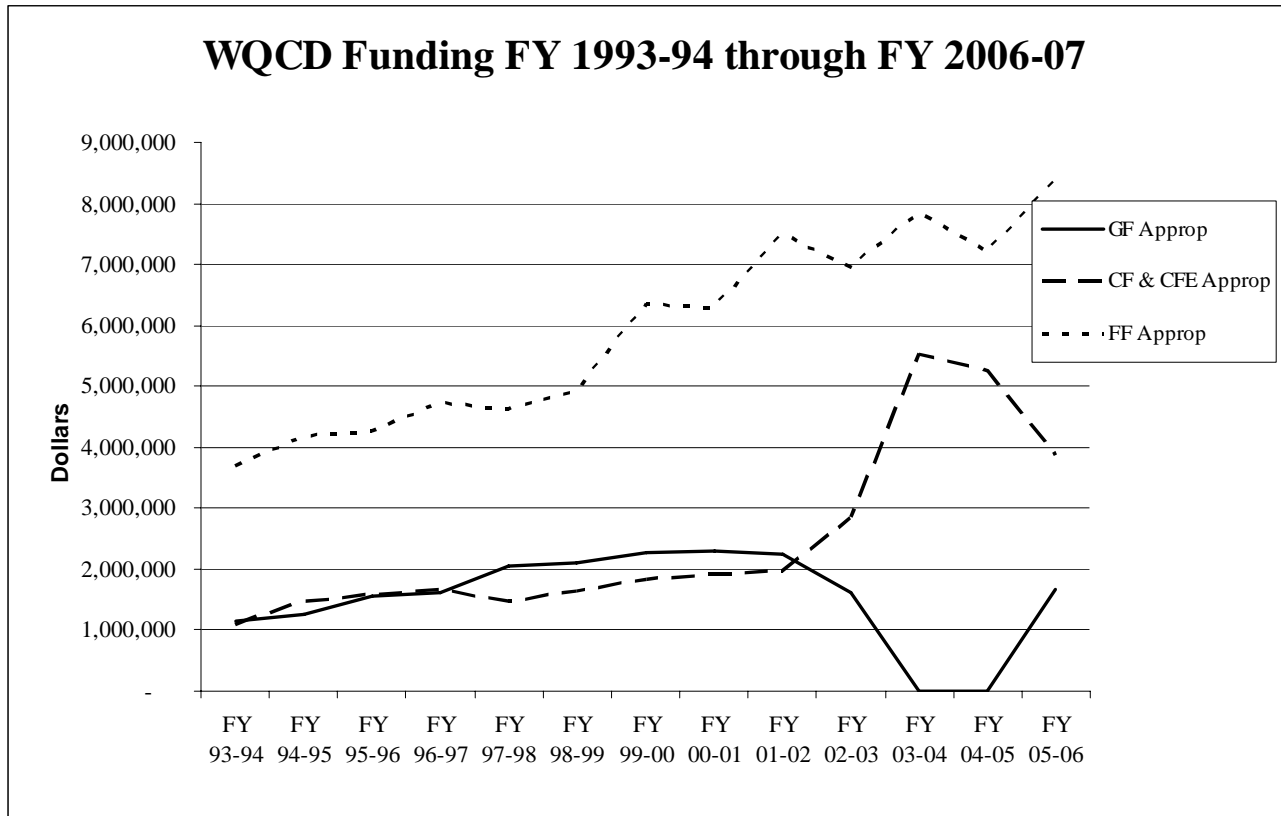
The SDWA is designed to protect the nation's public drinking water supply. It authorizes the EPA to set national health-based standards for contaminants that may be found in drinking water. The law focuses on both prevention and treatment. The Division's Drinking Water Program focuses on risk prevention, risk management, monitoring, and compliance. The Division must adopt regulations, guidance and policy, and provide assistance for consumers and regulated entities.

WQCD: Funding History

As illustrated in the graph below, prior to FY 2003-04, the WQCD was funded through a mix of approximately 20 percent General Fund, 20 percent fee revenue, and 60 percent federal dollars. To

¹ It should be noted that Section 25-8-507, C.R.S., effectively states that if the EPA revokes primacy for any portion of the water quality program, statutory authority for all program elements will be revoked. This action would essentially forfeit the entire program to EPA control.

address the state's budget crisis, S.B. 03-276 eliminated the Division's General Fund appropriation (\$2.0 million in FY 2002-03). To make up for this loss, wastewater permit fees were increased 66.2 percent, and, for the first time, a fee system for drinking water purveyors was established.



Although the new fees were based on best programmatic workload estimates at that time, the WQCD came to realize that there were inequities in how they were set. Some fees were not able to adequately support the associated programs, and others were set too high. For example, the fees received from industrial and domestic wastewater permittees and concentrated animal feeding operations (CAFO) permittees were not adequate to support the expenditures for those programs, so those programs were "subsidized" by excess fee revenue collected from stormwater permittees.

During the 2005 legislative session, the Department proposed legislation that would adjust the fees, taking into consideration the amount of resources the Division provides to different parties for various services. However, no legislation was introduced and the new fees and fee changes created via S.B. 03-276 sunset on July 1, 2005. Fees reverted to their pre-2003 levels and, with a few exceptions, the Division's funding mix in the Long Bill was set proportionately to the funding mix of FY 2002-03 actual expenditures.

Funding Concerns

The S.B. 06-276 funding changes and the subsequent reversal of those changes resulted in what may be an unsustainable funding mix for the Division's Clean Water Act Program. For FY 2006-07, projected expenditures will exceed revenues by approximately \$22,000, eating into a fund balance that is estimated to be \$1.1 million. While this problem may appear to be minor, for FY 2005-06, lower costs and greater revenues than anticipated resulted in cash fund expenditure and revenue projections being off by \$458,000. While the factors that caused these changes have been taken into account in the Division's new forecast, other variables could result in a greater reduction of the cash fund reserves than currently anticipated. Additionally, approximately \$416,000 of Decision Item #2 (discussed below) is requested as cash funds, which would drain the fund balance even more quickly and possibly result in a request for General Fund refinancing.

The Drinking Water Program does not have access to its cash fund balance. When S.B. 06-276 was in effect, there were fees paid by drinking water purveyors and a Drinking Water Cash Fund. The fund balance in that fund is now approximately \$52,000, but is inaccessible since the statute governing the fund was repealed July 1, 2005. During FY 2005-06, the State Controller's Office would not release money from the fund for the Division's cash fund exempt appropriation, so the Department sought and received a General Fund refinance of approximately \$18,000 to make up the difference. For FY 2006-07, the Drinking Water Program is entirely funded with General Fund and federal funds. Without a special bill, this money will languish in the Drinking Water Cash Fund indefinitely.

Resource Needs for the WQCD

The water quality programs have gotten more complicated over the years as EPA has established more regulations that must be supported with increasingly complicated engineering requirements. There are at least sixteen recent and emerging federal mandates for the CWA program and several additional program refinements that the Division anticipates developing and/or implementing in the next few years. In addition, population growth - much of which is occurring in areas with no previous water or wastewater facilities - has stressed the Division's engineering and compliance assistance/assurance resources.

In addition to fee changes, S.B. 03-276 required the Division to examine its business practices, permit fee schedules, and future funding options relative to the CWA and the SDWA, and to submit a report to the General Assembly by December 1, 2004. The report and subsequent EPA audits highlighted some achievements, but also identified a serious staffing shortage and other problems with both programs.

In FY 2006-07, the Department requested and received funding for \$816,404 and 10.0 FTE to address some of these concerns (see Appendix A, page 52, for more details). From that decision item, the Drinking Water Program received 6.5 FTE and the CWA program received 3.5 FTE. Despite this influx of resources, the Department reports that it is still understaffed and additional

resources are needed to fully implement program requirements, particularly in the CWA Program. Therefore, **for FY 2007-08, the Department's Decision Item #2 seeks an additional \$628,877 (including 212,067 General Fund) and 7.0 FTE** to continue to address the Division's resource concerns. The programmatic needs the FTE would address are outlined below.

- (1) **Reduction of the permit backlog.** The Division diverted resources to meet permit backlog reduction deadlines set by EPA, but those resources are still needed by the other program areas. *The Department is requesting 2.0 FTE to ensure the timely issuance of permits for new and expanding facilities.* Additionally, these FTE would help the Division avoid situations where a delayed issuance of a well-justified permit amendment would put the permittee in violation.
- (2) **Development of Total Maximum Daily Loads (TMDLs).** The Division is required under section 303(d) the federal Clean Water Act to: (a) develop a list of all waters in the state that do not support their assigned uses and attain their assigned standards; and (b) develop TMDLs that identify the appropriate maximum pollutant load that would allow attainment of the standards, and the necessary reduction in the current load. In the late 1990s, the state was sued because of lack of progress in TMDL development. The resulting settlement set a number of milestones the state must achieve in setting the required TMDLs. The Division selected simpler TMDLs to do first, so it has met its deadlines so far, but more complicated TMDLs are pending. Additionally, the list of waters requiring a TMDL must be reviewed every two years, so additional waters requiring TMDLs are being added to the list. *The Department is requesting 1.0 FTE to complete TMDLs in accordance with the court settlement.*
- (3) **Implementation of Phase II Stormwater Program and CAFO regulations.** The Division has not met permitting and/or compliance assurance requirements for the Stormwater Phase II programs or Concentrated Animal Feedlot Operations (CAFOs), which has lead to increased EPA oversight and EPA enforcement actions against facilities. Additionally, the EPA is modifying its data and compliance management systems related to "wet weather" discharges, including stormwater permits, CAFOs, and sanitary system overflows (SSOs). *The Department has requested 1.0 FTE who will: (1) Address non-compliance and follow-up on outstanding orders to ensure that systems are complying with the orders and returning to compliance; and (2) Improve data management.*
- (4) **Data Management.** The aforementioned EPA audits discussed problems the Division has with data management and how those problems make it even more challenging for the Division to implement new rules effectively and expediently. The Division is now implementing a new state data management system to support its data management needs and to report to the federal system. *The Department is requesting 1.0 FTE who will manage improvements to information systems technology, implement software systems, coordinate data integration efforts,*

participate on cross-media data teams, and supervise the Division's other 3.0 information technology staff.

- (5) **Spills/Sanitary System Overflows (SSOs) Response.** Reported spills and SSOs are increasing, and soon there will be new EPA requirements for compliance oversight of SSOs. *The Department is requesting 1.0 FTE to coordinate spill response and be responsible for: updating and implementing the Division's spill response procedures; ensuring that public health impacts and damage to the environment are minimized; and making certain that downstream communities receive notice of spills.*

- (6) **Water Quality Monitoring** is an essential water quality control function. Initial monitoring of stream segments and lakes enables the state to determine the designated uses to which the water can, or could, be put and design appropriate standards. Follow-up monitoring determines if standards are being met or if increased controls or restoration are required. In 2003, the EPA issued new monitoring guidance, resulting in additional work requirements on the Division's monitoring and sample data management programs. *The Department is requesting 1.0 FTE which would enable the Division to keep pace with the state's expanding water quality monitoring responsibilities.*

Drinking Water Program Needs

Although the requested decision item does not include resources for the Drinking Water Program, it is JBC staff's understanding that this request reflects the prioritization of needs for the Division, not a lack of need for the Drinking Water Program. In January 2005, the EPA conducted an audit of the Drinking Water Program.² The audit noted many accomplishments, and reported that the Division is implementing the National Primary Drinking Water Regulations that have been adopted. However, many serious concerns were identified, including the inability to communicate effectively with permittees and implement drinking water regulations in a timely manner.

The greatest concern EPA identified is that with the current levels of resources, the program operates in a predominantly reactive, rather than preventive, mode. Even with the additional 15 federally-funded FTE it has received since 2001, the Program has not been able to help systems take appropriate action to prevent failures that could result in the distribution of unsafe drinking water, nor has it been able to implement new rules as scheduled.

For example, at the time, the Drinking Water Program had one rule manager for a suite of five very complicated regulations (the Microbial/Disinfection Byproducts Regulations), while the Association

² United States Environmental Protection Agency, Region 8, Public Water System Supervision Program 2004 Primacy Review for Colorado, available at http://www.cdph.state.co.us/wq/Drinking_Water/pdf/NEWS/CO-PWSSStateReview2004.pdf.

of State Drinking Water Administrators (ASDWA) resource model suggested that a minimum of 19 staff were needed. By comparison, the model suggested that Wyoming (the least populated state) needed a minimum of five staff to implement the rules; it has two full-time and three part-time staff. As a result of this short-staffing, the Program was not able to perform the implementation activities in the extension agreement with EPA that extended their adoption deadline for two additional years due to the lack of resources.

Since the EPA's audits, the Colorado WQCD has received a new director, has been reorganized, and has received an additional 10.0 FTE. However, based on discussions with the Department, it is staff's understanding that the staffing needs persist.

Staff recommends that the Department:

- a. Provide a five-year plan that identifies the WQCD's targeted staffing levels for both the CWA and Drinking Water Programs, and the measures it will use to determine whether the Programs are fulfilling their responsibilities effectively and efficiently.***
- b. Discuss the long-term funding strategy for this Division to meet its five-year resource needs.***
- c. Provide a schedule of fee changes necessary to: (1) cash fund the entire decision item; and (2) cash fund the entire Water Quality Control Division. The schedules should include the type of permit or service, the current fee, the change in the fee, the new fee, and the anticipated amount of revenue such a change would generate.***

Appendix A: Summary of FY 2006-07 Decision Item for WQCD Resources

In FY 2006-07, the Department requested and received funding for \$816,404 and 10.0 FTE for both the CWA and Drinking Water programs, as follows:

Program Area	FTE	Total	Description
Safe Drinking Water Program (SDWP)			
1	Drinking Water Rule Implementation 3.0	\$169,140	Assist public water systems and local health departments in understanding and implementing drinking water rules; monitor for compliance; provide technical reviews of systems; coordinate with EPA; and work on rule adoption and stakeholder outreach
2	Technical Services 1.5	\$83,431	Conduct engineering reviews; review requests for monitoring waivers; conduct inspections; review plan designs and specifications; and respond to complaints and drinking water problems posing an immediate acute public health threat; 0.5 FTE will be paired with 0.5 FTE in the Clean Water Act Program request
3	Drinking Water Enforcement 1.0	\$56,380	Enforcement, implementation of rules, compliance tracking, follow up on all orders, and compliance assistance
4	Small System Coordinator 1.0	\$64,444	Coordinate Division activities associated with small drinking water systems; collaborate with local health departments and the Consumer Protection Division to bring systems into compliance; provide assistance and support to systems; work with non-compliant systems; and develop guidance documents
5	Compliance Assurance	\$50,000	Funding for sample analysis to verify system compliance with rules
SDWP Total		6.5	\$423,395

Program Area	FTE	Total	Description	
Clean Water Act Program (CWAP)				
9	Permit Backlog Maintenance	1.0	\$64,444	FTE needed to help Division issue permits in a more timely manner; FTE will write permits; develop and deliver proficiency assessment tools and associated training for permit writers to improve overall staff efficiency and accuracy; develop/revise existing policies and procedures for permit writing; provide outreach
7	Stormwater Compliance Assurance	1.0	\$56,379	Conduct inspections and follow-ups; support enforcement actions to ensure compliance; conduct audits; provide compliance assistance and training; and respond to complaints
8	Stormwater Compliance Assurance		\$85,000	Funding for contracting with local health departments (LHDs) to conduct inspections and follow-up inspections, and to train them to conduct such inspections.
10	Total Maximum Daily Load Program	1.0	\$56,380	FTE needed to meet 1999 court-ordered schedule to develop Total Maximum Daily Loads (TMDLs); FTE will conduct water quality assessment; participate in work groups; liaison with the permits unit; and conduct stakeholder education
11	Concentrated Animal Feedlot Operations		\$100,000	Funding to contract with local health departments (LHDs) to conduct inspections and follow-up inspections, and to train them to conduct such inspections.
6	Technical Services	0.5	\$30,807	Conduct wastewater engineering reviews and facility inspections; respond to reported spills and fish kills; review site applications and design plans; work with systems to address deficiencies; refer systems for enforcement if necessary; provide compliance assistance; and respond to inquiries and complaints; will be paired with 0.5 FTE in the Drinking Water Program request
CWAP Total		3.5	\$393,010	
DECISION ITEM TOTAL^a				
		10.0	\$816,405	General Fund = \$760,026 Cash Funds = \$56,379

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ISSUE: Oil & Gas Development Impacts on Ozone and the Air Quality Control Division

SUMMARY:

- Volatile organic compound (VOC) emissions contribute to the formation of harmful ground-level ozone. The state has entered an ozone Early Action Compact with the U.S. Environmental Protection Agency (EPA) which was developed to prevent non-compliance with the ozone standard. The EPA will determine if the region is in compliance with the ground-level ozone standard in April 2008.
- Aside from the health and environmental impacts of exceeding ozone standards, a designation of non-compliance would result in the state having to plan how the region will get back into compliance, a potentially time-consuming and expensive process.
- Oil and gas development - and its associated VOC emissions - has increased much more rapidly on the Front Range in the past few years than anticipated by the Air Quality Control Division (AQCD). As a result, the Air Quality Control Commission (AQCC) is now proposing stricter controls for the industry.
- The Department's Decision Item #6 seeks \$307,389 cash funds and 3.0 FTE primarily to address the increased workload caused by growth in the oil and gas industry. Additional resources may be requested in FY 2006-07 if the AQCC's proposed new rules are adopted.

STAFF RECOMMENDATIONS:

Staff recommends the Committee ask the Department to discuss:

- a. The AQCC's proposed new standards, as well as whether they are adopted at the AQCC meeting on December 17th;*
- b. The likelihood of the Front Range being designated as non-attainment for ozone and the short- and long-term implications of a non-attainment designation;*
- c. The additional workload driven by growth in the oil and gas industry;*
- d. The Division's request to hire the requested AQCD FTE at "competitive" salaries rather than the standard minimum salary for each position; and*
- e. The Division's on-going permitting backlog.*

The Context: It's all about Ozone

Ozone in the upper atmosphere is good; it blocks out harmful ultraviolet rays. However, ground-level ozone can be harmful to people and the environment. Levels above the health-based standards established by the U.S. Environmental Protection Agency (EPA) are known to cause chest pain, coughing, throat irritation, and congestion, and may also worsen bronchitis, heart disease, emphysema, and asthma. Healthy people as well as those with respiratory problems experience breathing problems when exposed to ozone. EPA has established a health-based standard for ozone to protect people from negative respiratory effects. At certain concentrations, ozone can also damage the quality and harvest yield of crops such as corn, wheat, and soybeans, and can reduce the ability of trees and plants to fight disease.

Ozone is the prime ingredient of smog; it is not emitted directly into the air but rather is formed by gases called nitrogen oxides (NO_x) and volatile organic compounds (VOCs). In the presence of strong sunlight, these gases react with oxygen in the air to form ozone concentrations that can remain high over large regions. Therefore, ozone is of greatest concern during the summer months.

What is the Ozone Early Action Compact? In December 2002, in response to high summer ground-level ozone levels and the threat of a non-attainment designation, state and local agencies in the Denver area (including the CDPHE) entered into an Ozone Early Action Compact (EAC) with the EPA. The EAC is a commitment to develop and implement an Ozone Action Plan in return for deferring a potential non-compliance delegation for EPA's 8-hour ozone standard. The EAC outlines several milestones that the state must meet.

How does oil and gas development affect ground-level ozone? When the oil and gas are extracted, VOCs are also released; they are often referred to as flash emissions. VOCs are also released by compressor engines and other equipment used at well sites. The oil and gas development boom in the state (discussed below) is resulting in much greater than anticipated VOC emissions in the Front Range. If more stringent controls for the oil and gas industry are not adopted in the next few months, a non-attainment designation for ozone will likely be made in July 2007. If more stringent controls are adopted, the EPA will wait to review the ozone monitoring data for the Summer of 2007 and make a determination of attainment in April 2008.

Oil and Gas Development Boom

Oil and gas drilling is a relatively new source of pollution in the state. At the time the EAC was being negotiated, the Air Quality Control Commission (AQCC) was just beginning to require well operations to obtain permits if emissions were expected to exceed minimum established levels. As a result, when estimating the growth of emissions from various sources for the EAC, the state's estimates from oil and gas drilling emissions were low. When the EAC was developed in 2002, the Division believed the industry was emitting approximately 132 tons of VOC per day across the Denver-metro area. Data for 2003 showed that emissions had increased to approximately 164 tons per day, but the industry assured the Division that the increase was an anomaly. However, the trend

is now clear: oil and gas drilling, which initially was thought to be a minimal contributor to VOC emissions, is projected to emit 234 tons per day (uncontrolled) in 2007. Oil and gas emissions now comprise over 30 percent of total VOC emissions in the Denver-metro area. The table below compares actual emissions from 2002 with projected emissions for 2007.

Front Range³ Anthropogenic⁴ VOC Emissions by Source

2002 Actual Emissions 2007 Estimated Emissions Based on Current Control Requirements

Source Category ^a	2002 VOC Emissions (tons/day) ^b	% of 2002 Total Emissions	2007 VOC Emission Est. (tons/day) ^b	% of 2007 Total Emissions	% Growth in Emissions Since 2002
Oil and Gas	146.8	26.3%	<i>157.7</i>	30.9%	7.4%
On-Road Mobile Sources	<i>170.8</i>	30.6%	<i>126.4</i>	24.8%	-26.0%
Area Sources	158.6	28.5%	149.5	29.3%	-5.7%
Off-Road Vehicles and Equipment	30.0	5.4%	26.8	5.3%	-10.7%
Stationary Sources	51.2	9.2%	49.3	9.7%	-3.7%
Total	557.4	100.0%	509.7	100.0%	

^a AREA SOURCES include: lawn and garden sources; automotive aftermarket products; architectural coatings; household and personal products; adhesives and sealants; pesticide applications; and other area sources. OFF-ROAD VEHICLES AND EQUIPMENT include: construction equipment; recreational vehicles; and other off-road vehicles and equipment. STATIONARY SOURCES include: power plants; refineries; pharmaceutical production plants; gas stations; and other stationary sources.

^b Unformatted emissions figures indicate that the sources' emissions were not required to be controlled at that time. **Bold emissions figures** indicate that the sources' emissions were somewhat controlled at that time. ***Bold and italicized emission figures*** indicate that the sources' emissions were controlled at that time.

The region was not in compliance with ozone standards for the 2001-2003 period. The 2002 emission shown above represent a non-attainment situation. Since that time, new and more stringent controls have gone into effect for many sources, resulting in a reduction in total emissions from all

³ The nine counties included in the Front Range ozone area (per EPA) are: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, Larimer, and Weld.

⁴ The Department estimates that the Front Range is also exposed to approximately 468.1 tons of naturally occurring (biogenic) VOCs each year. Since these emissions come from natural sources, no emission controls are possible.

of the non-oil and gas sources. These reductions are even seen in mobile sources, where there are more vehicles on the road and more miles traveled, primarily due to stricter federal requirements on vehicles and fuel. However, despite the adoption of new control requirements, emissions from the oil and gas industry have continued to increase.

When the EAC was being developed, the Division estimated that in 2007, there would be approximately 146 tons per day of *uncontrolled* emissions, and approximately 91 tons per day of *controlled* emissions - this level of emissions would keep the region in compliance. However, due to dramatic industry growth, estimated 2007 *controlled emissions* already exceed the original estimates of *uncontrolled emissions*. Since uncontrolled emissions are so much greater than anticipated, the control requirements that were adopted are not sufficient to maintain compliance with the ozone standard.

What does this mean for the EAC? If the state does not adopt more stringent control standards for the oil and gas industry in the next few months, EPA will designate the state as non-attainment with the ozone standards in July 2007. If more stringent standards are adopted, the EPA will wait to review ozone monitoring data for the Summer of 2007 and make an attainment determination in April 2008. Under this scenario, to determine if the region is in compliance, the EPA will look at monitoring data for the summers of 2005, 2006, and 2007, as the standard is based on a three-year rolling average. Information on each summer is provided below.

- **Summer 2005.** In March 2004, the AQCC promulgated new rules that required oil and gas wells to reduce emissions from base levels; these rules took effect January 2005. The Division did outreach and training to educate the industry about these rules in 2004 and the first half of 2005 to ensure compliance with the rules during the 2005 Summer ozone season. Although the air quality that summer was not bad - only two days exceeded ground-level ozone standards - when the Division began compiling data that fall, it realized that wells were not complying with the new standard as well as they had anticipated. The EAC took into account a 10 to 20 percent non-compliance rate. The initial data showed a non-compliance rate on the order of 20 to 40 percent. Despite the Division's outreach efforts, some permit holders reported that they did not realize the new rules applied to them.
- **Summer 2006.** In the following months, the Department made efforts to improve compliance with the standard. However, while it appears the industry on average exceeded the percentage reduction in VOC emissions that the regulations required, the meteorology was very conducive to the formation and build-up of ozone. There were nine days when the 8-hour standard was violated. Numerous monitors across the region recorded high concentrations on those days, illustrating the regional nature of the problem.
- **Summer 2007.** Although the Front Range is complying with the requirements of the EAC, and the oil and gas industry appears to be complying with current standards, the unexpected growth in the oil and gas industry will require more stringent standards to be implemented prior to the Summer of 2007 if the region hopes to remain in attainment. And, even if more

stringent standards are adopted and met, the meteorology might be such that it is still a bad summer for ozone. Nonetheless, ozone levels this upcoming summer will be critical to determining whether the region remains in compliance or is designated as non-compliant.

Proposed New Oil and Gas Standards

Under the current oil and gas standards, affected oil and gas companies must reduce uncontrolled VOC emissions by 47.5 percent. To account for the unexpected growth in the industry, the proposed regulations now under consideration by the Air Quality Control Commission (AQCC) would require reductions of 73.3 percent. This level of control would reduce oil and gas VOC emissions to an estimated 91 tons per day in 2007. The AQCC has been hearing public comment on the proposed new rules and has scheduled an extended meeting on December 17th to vote on them.

What are the consequences if the region is designated a non-attainment area for ozone?

Aside from the health and environmental impacts of exceeding ozone standards, a non-attainment designation would nullify the EAC. The state would then have to go through a potentially expensive and time-consuming process for planning how the region will get back into compliance, and develop a plan that is approved by EPA. Additional control measures would have to be considered for all VOC sources, not just oil and gas.

Staff recommends the Committee ask the Department to discuss the AQCC's proposed new standards, as well as whether they are adopted at the AQCC meeting on December 17th. The Committee should also ask the likelihood of the Front Range being designated as non-attainment for ozone and to discuss the short- and long-term implications of a non-attainment designation.

Workload impact of the oil and gas development boom on the AQCD

As discussed above, oil and gas drilling activity in the state has increased rapidly and unexpectedly. When the first permits were issued in 2002, there were approximately 3,000 oil and gas drilling sites in the Division's inventory; by the Summer of 2005, that figured had doubled - and it continues to grow. This growth in regulated sources has put strain on AQCD resources. The Division must issue permits for all of the condensate tanks (the primary sources of emissions), as well as other types of oil equipment, such as engines, dehydrators, and processing units. Since construction of new and modified oil and gas facilities cannot begin until construction permits are issued, delays in permit issuance have a negative impact on the industry's ability to operate and expand. Permitted facilities need to be inspected, as well, although the Division only has the resources to inspect a fraction of the permitted facilities.

In January 2006, the Division requested and received funding for a FY 2005-06 supplemental for 2.8 FTE related to the new workload growth. In May 2006, the AQCD was reorganized to create a new oil and gas team. Three FTE that were working on other program areas were assigned to the oil and gas team. The Division is using the 2.8 FTE appropriate via supplemental to back-fill the vacancies caused by reassigning these people.

For FY 2007-08, the Department's Decision Item #6 seeks \$307,389 cash funds and another 3.0 FTE for the AQCD. Of the 3.0 FTE requested, 2.0 would work on the oil and gas team writing permits and conducting inspections. The third FTE would work on permitting major sources (which may include some oil and gas facilities). Over the past several years, the number of permit actions for the largest and most complex sources in the state have increased and the additional FTE would allow the Division to address its backlog.

It should be noted that when the request was calculated, the Department did not use the standard minimum salary for each position. Instead, the salaries are 25 percent about the minimum. The Department explained that the oil and growth development boom has resulted in strong competition for highly trained personnel. The industry has a significant need for engineers and other compliance staff with a knowledge of the field. The Division has found that permit engineers and inspectors often learn these skills while writing permits or conducting inspections of oil and gas sources, only to be drawn to the industry for higher salaries. Over the last three years, the Division has lost 30 percent of its minor source permitting and inspection staff, many to the oil and gas industry for reportedly higher salaries and lower cost health benefits.

In addition to the FTE requested through Decision Item #6, if the AQCC does adopt more stringent air quality rules for the oil and gas industry, the Department will analyze the impacts of the adopted regulations and may, in January, submit a budget amendment request to address the increased workload.

Staff recommends that the Committee ask the Department to discuss the additional workload driven by growth in the oil and gas industry, and its need to hire the requested AQCD FTE at "competitive" salaries rather than the standard minimum salary for each position. The Department should also be asked to discuss its permitting backlog.

**FY 2007-08 Budget Briefing
Department of Public Health and Environment
- Environmental Divisions Only -**

INFORMATIONAL ISSUE: The Superfund Program & the Hazardous Substance Response Fund

SUMMARY:

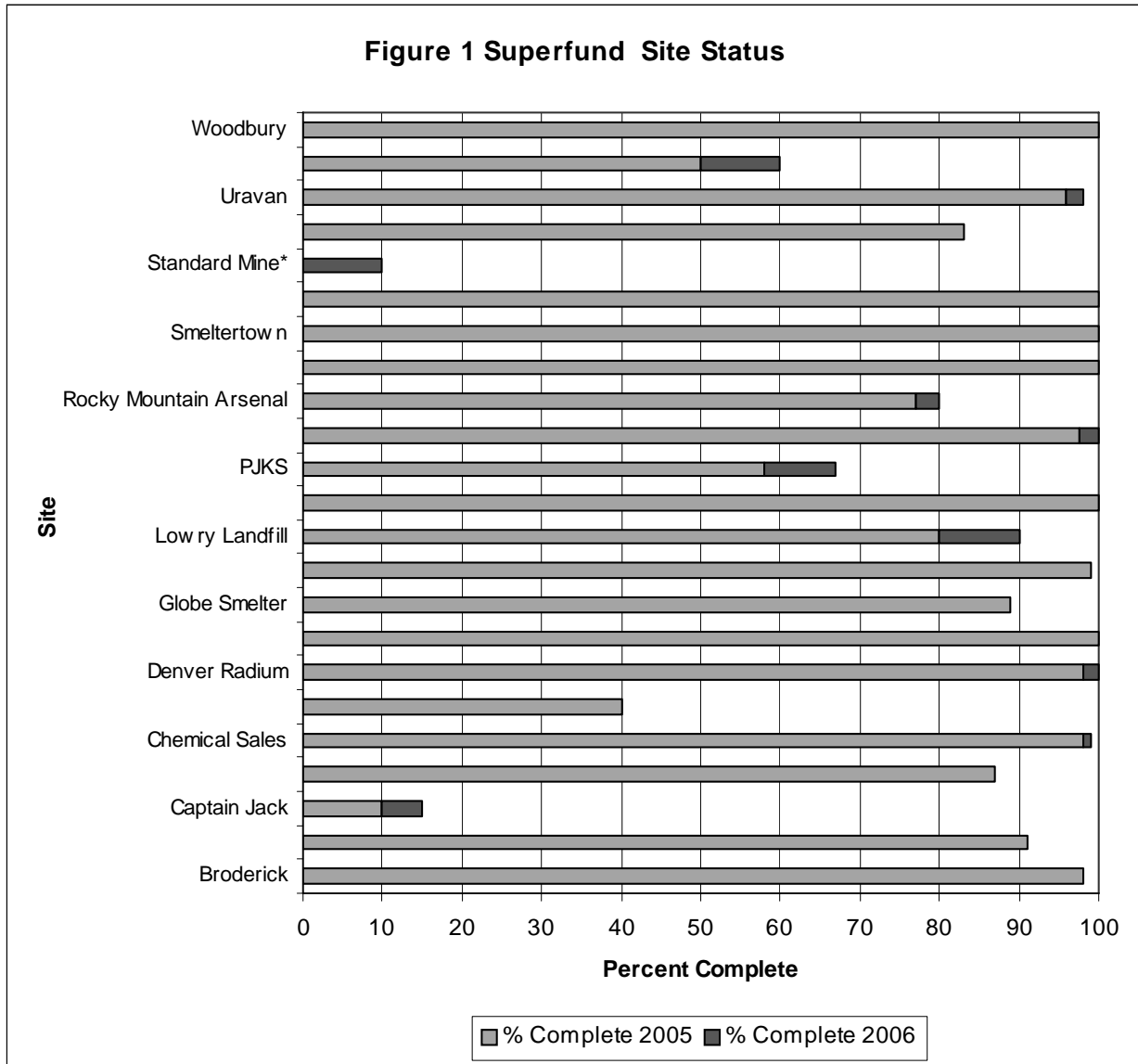
- ❑ Colorado has 23 Superfund sites, for which the state has varying degrees of financial responsibility for clean-up and on-going maintenance.
- ❑ Funding for the state's Superfund-related expenses are paid for out of the Hazardous Substance Response Fund (HSRF). Revenue for the HSRF comes from a portion of solid waste tipping fees. Beginning in 2002, there were concerns about the fund's long-term solvency after the Legislature transferred \$30.0 million of its fund balance to the General Fund. However, that transfer was repaid in January 2006; at present, the Department estimates that the balance will remain solvent through FY 2024-25.
- ❑ Factors that could change the projections of the state's costs include: (1) the identification of additional Superfund sites; (2) changes in the estimated remediation and on-going maintenance costs at existing sites; (3) changes in federal policies; and (4) changes in the ability of responsible parties to pay their share of costs.

BACKGROUND:

The Superfund Program in Colorado

Colorado has 23 Superfund⁵ sites (see Appendix B on page 65 for more details). The Superfund process includes site designation, clean-up decisions and planning, remediation, and long-term operations and maintenance (if applicable). Figure 1 below shows the current status of all 23 sites. Six are completed, two are expected to be completed this year, and only five are less than 70 percent completed.

⁵ The Federal "Superfund Law" is CERCLA: the Comprehensive Environmental Response, Compensation, and Liability Act. Superfund is the Federal government's program to clean up the nation's uncontrolled hazardous waste sites. Under the Superfund program, abandoned, accidentally spilled, or illegally dumped hazardous waste that pose a current or future threat to human health or the environment are cleaned up.



Funding Clean-up and On-going Operations and Maintenance Costs

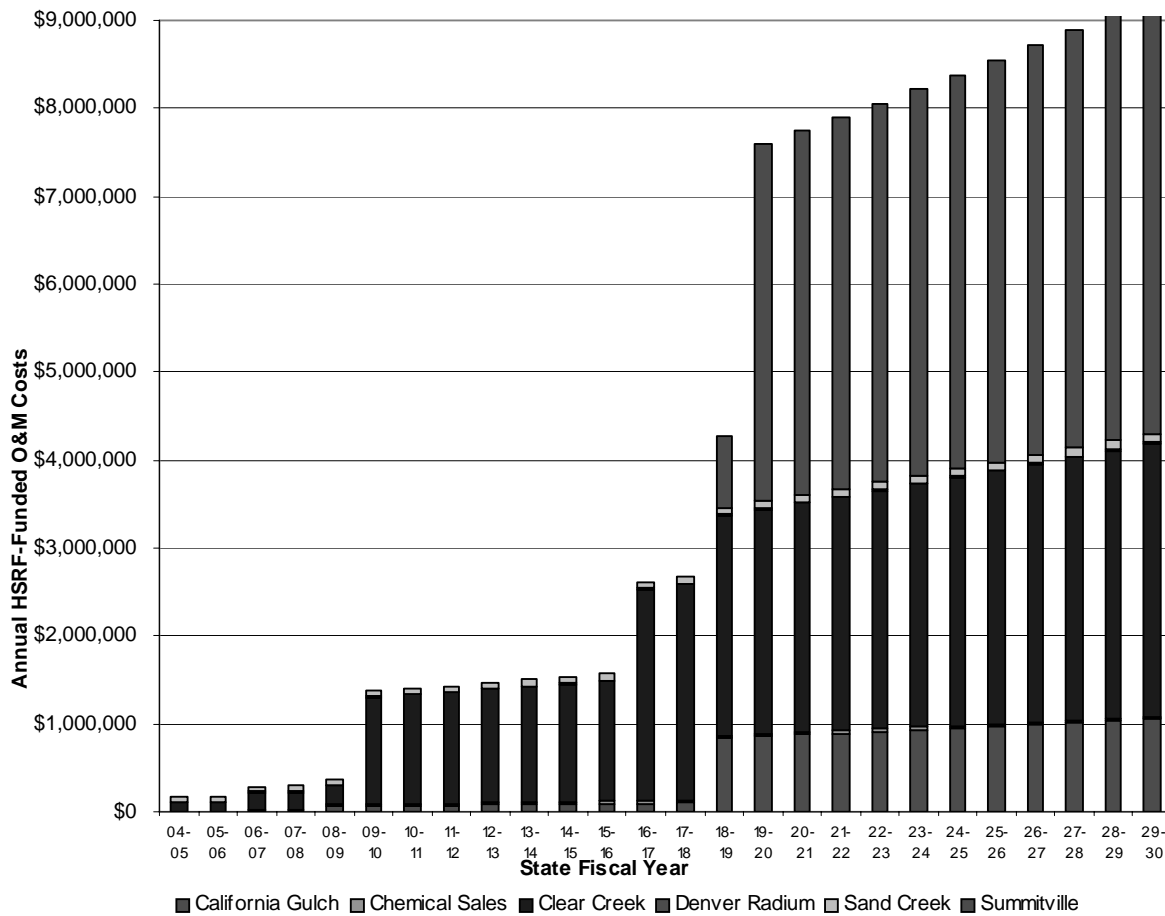
When possible, the responsible party is required to pay for all or part of the clean-up and ongoing maintenance costs; in some cases, the responsible party is the federal government (in Colorado, this includes the U.S. Department of Energy, U.S. Department of Defense, and the U.S. Army). Settlement monies from responsible parties are deposited into custodial funds; the Department receives budgetary authority for expenditures from these funds from the Office of State Planning and Budgeting and the State Controller's Office.

There are several Superfund sites in Colorado that do not have a responsible party. For these sites, clean-up costs are split between the federal government and the State. In general, the U.S.

Environmental Protection Agency (EPA) provides 90 percent of the funding for remediation with a required 10 percent state match. The state's share of expenses are paid for out of the Hazardous Substance Response Fund (HSRF) through a capital construction appropriation. For certain types of sites, it has also been the EPA's policy to fund 90 percent of the first ten years of on-going operations and maintenance costs. After these 10 years are over (or in cases where the EPA will not assume any operations and maintenance costs), the state is required to assume full responsibility for ongoing operations and maintenance, in perpetuity. These state costs are also paid for out of the HSRF through a Long Bill appropriation.

Figure 2, below, shows the Department's projections of the state's future operation and maintenance costs. Costs increase dramatically in FY 2009-10 and FY 2019-20. At these points, the EPA's contribution to on-going operating and maintenance ends at the Clear Creek and Summitville sites, respectively, and the state must assume full financial responsibility.

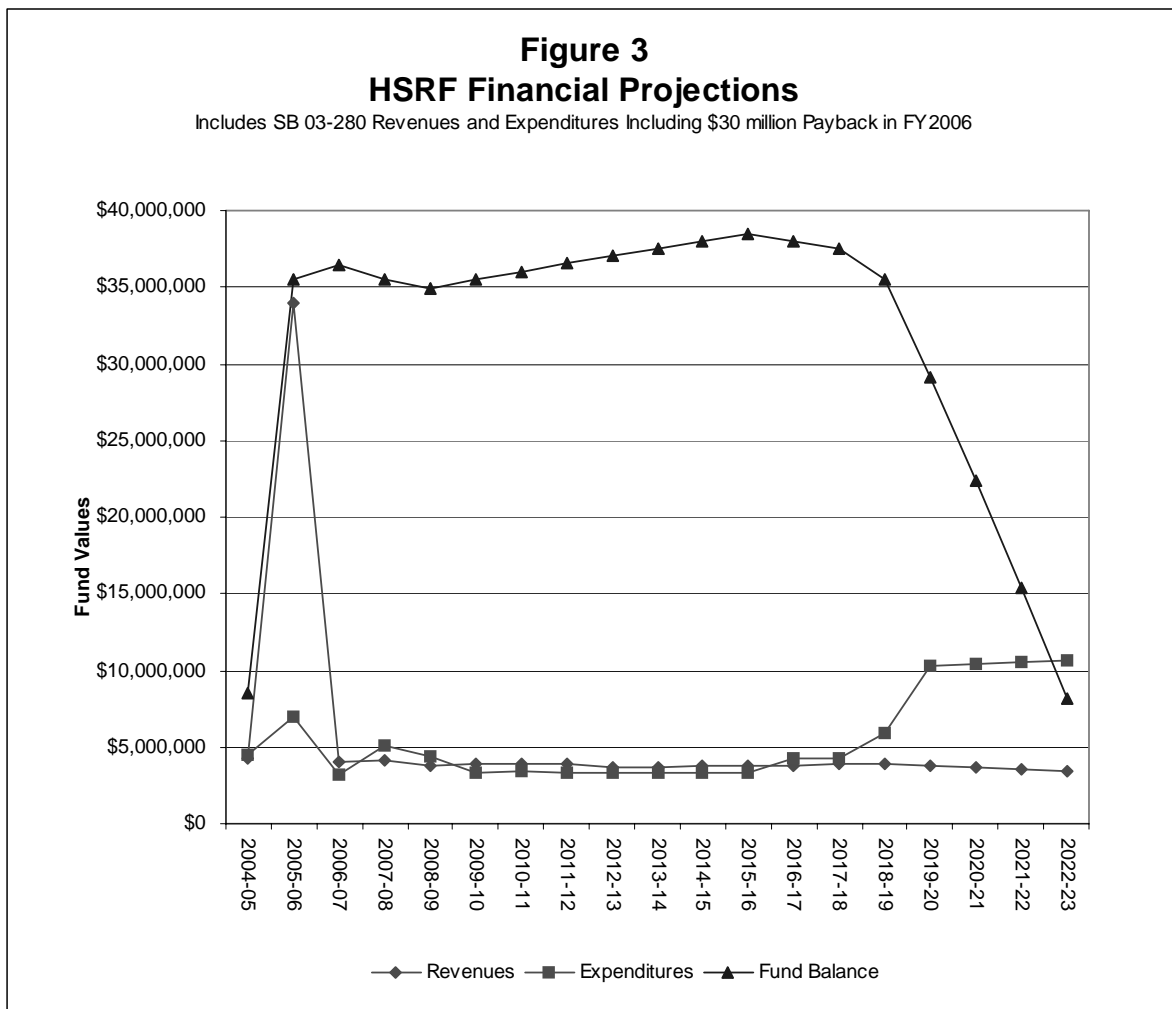
Figure 2
Long Term HSRF-Funded Operations and Maintenance Costs



HSRF Revenues and Projected Fund Balance

Revenue for the HSRF comes from a portion of solid waste tipping fees. Tipping fees have varied over the years, reaching a peak of \$0.30 per cubic yard in the early 1990s. The Hazardous Materials and Waste Management Division (HMWMD), which manages the Superfund program, had planned on building a sizable enough fund balance to cover a large portion the state's future Superfund costs. In 2001, the HMWMD believed the HSRF had a sufficient fund balance, and tipping fees were reduced from \$0.20/cubic yard to \$0.17/cubic yard (H.B.01-1387).

During the 2002 Legislative session, \$30 million from the HSRF fund balance was transferred to the General Fund (H.B. 02-1391) to help address the budget shortfall, raising concerns about the Fund's long-term solvency. However, in January 2006, this balance was repaid. Figure 3, below, shows projected revenues, expenditures, and fund balances for the HSRF through FY 2022-23. In FY 2005-06, the large increase in fund balance and the one-time spike in revenues are due to the repayment of the \$30.0 that had been transferred to the General Fund. At present, the Department estimates that the HSRF will remain solvent through FY 2024-25.



Challenges with HSRF Projections

It should be noted that long-term forecasts are not reliable. The HSRF forecast may change because expenses could increase without warning if: additional contamination is found on existing sites; additional sites are added to the Superfund list; or the EPA delays funding or begins to expedite funding for existing Superfund sites (effecting when state matches will be needed). There are two additional factors which may also affect long-term projections: changes in federal policies, and ability of responsible parties to pay.

1. Changes in federal policies

Currently there is a 90/10 federal/state split on clean-up costs. Additionally, the EPA pays 90 percent of on-going maintenance expenses for the first 10 years at certain types of sites. However, these are EPA policies, not federal rule. EPA recently drafted a policy change that would exempt long-term treatment of acid mine drainage from the 90/10 split of the first ten years of on-going maintenance costs.

If this policy becomes final, EPA would no longer cost-share on the treatment plants operated by the state at two Superfund sites (and a third planned site). Such a change would result in solvency problems for the HSRF sooner than currently predicted. For example, the state would have to take over 100 percent of costs at the Clear Creek and Summittville sites sooner than anticipated (now scheduled for FY 2009-10 and FY 2018-19, respectively). In the event this policy change occurs, the state could sue EPA. If the change is upheld by the courts, EPA would likely include some type of plan to transition the change so the costs would not become the state's responsibility too suddenly.

2. Ability of responsible parties to pay

Asarco owes the state over \$113.5 million dollars in outstanding cleanup responsibilities and on-going operations and maintenance costs. Asarco's biggest liabilities are for California Gulch and the Globeville Smelter. However, Asarco recently declared bankruptcy and is claiming that the state is a creditor like any other, and therefore, the obligation is nullified. The state is claiming that bankruptcy does not mitigate environmental responsibility and has filed claims with the bankruptcy court. The Division does not know of any precedent for this type of case, so the outcome is uncertain, but it would be of national importance if the courts determine that companies can escape environmental liabilities by declaring bankruptcy. Regardless, it is evident nationally, as well as in Colorado, that Asarco's liabilities far exceed their resources.

Appendix B: Colorado Superfund Sites

Name & Location	Description	Estimated State-funded Costs through FY 29-30
Broderick Wood Products Adams County	Broderick Wood Products, Inc. operated the site as a wood treatment facility from 1946 to 1981. The operation consisted of treating railroad ties, telephone poles, and similar products in unlined ponds. This practice resulted in the contamination of soils and groundwater with creosote, pentachlorophenol, and related compounds.	\$0 All remediation costs are funded by responsible parties.
California Gulch Leadville, Lake County	This site includes the Leadville mining district. Impacts to local residents and to fish and other biota in the Arkansas River are of concern. Contaminants of concern include heavy metals - primarily arsenic, cadmium, lead, and zinc - associated with acid mine drainage, and milling and smelter wastes resulting from historic mining operations. Residential soils, surface water, and groundwater have been impacted by contaminant release.	Asarco (now bankrupt) is the responsible party. State liability includes at least \$970,000 in capital costs and \$837,000 in annual maintenance costs (the state would likely pay only 10% of these costs for the first 10 years).
Captain Jack Mill Site Lefthand Creek Watershed, Boulder County	The site consists of the Black Jack adit and mine, the Captain Jack Mill, and the Big Five Tunnel, at the headwaters of the Left Hand Creek watershed. Heavy metals from mine waste piles and acid mine drainage impact the fishery of Left Hand Creek. In addition, the Left Hand Water District, which provides drinking water to about 15,000 people, has an intake approximately 15 miles below the abandoned mines and contaminant sources. Contaminants also affect wetlands downstream.	Clean-up is estimated at \$2.0 million (the state would likely pay only 10% of this cost, but 100 percent of any on-going operation and maintenance costs).
Clear Creek Central City & Idaho Springs, Clear Creek & Gilpin Counties	The site covers the 400-square mile drainage basin of Clear Creek, which has been affected by a number of inactive precious metal mines. The most significant impacts are on the Clear Creek stream system. Clear Creek is a drinking water source for more than 250,000 people living in the northern Denver metropolitan area, and is used for kayaking, rafting, fishing, and wildlife watching. The human health hazards involve the potential exposure to heavy metals, primarily lead, arsenic and cadmium, in surface water and soils.	Clean-up is estimated at \$14.8 million and on-going costs at \$1 million annually (the state would likely pay only 10% of clean-up costs and 10% of on-going costs for the first 10 years).

Name & Location	Description	Estimated State-funded Costs through FY 29-30
Chemical Sales Company Denver and Adams Counties	The site extends from the facility at 4661 Monaco Street, Denver, approximately five miles to the north. The site covers portions of the City and County of Denver, south Adams County, and Commerce City. Soil and shallow groundwater at the facility are contaminated with chlorinated volatile organic compounds.	The state currently spends approximately \$52,000 per year.
Denver Radium (including Shattuck) Denver County	The site includes 65 properties contaminated with radioactive soils and debris. During the early 1900s, Denver was the site of radium processing activities, which ended in the 1920s. The locations of the sites were forgotten, but in 1979, the state conducted studies to locate them. Soils were contaminated with radium, thorium, and uranium. Radioactive decay of these elements produces radon gas. At some sites, groundwater was impacted.	Clean-up cost \$58 million, with a state share of \$5.28 million. The state now pays approximately \$30,000 per year for on-going groundwater monitoring.
Eagle Mine Eagle County	The Eagle Mine and associated mining wastes are located approximately eight miles southwest of Vail. Heavy metals, such as lead, zinc, cadmium, arsenic, and manganese impact surface soils and local streams, including the Eagle River.	\$0 All remediation costs are funded by responsible parties.
Globeville Smelter Denver & Adams Counties	The site consists of the Globeville Plant and properties in surrounding communities. The plant has operated as a lead smelter, refined arsenic and cadmium, and produced gold and silver. Currently, the plant produces lead litharge, bismuth oxide, test lead, and refines high purity metals. Contaminated media in and around the site include the former neutralization pond, groundwater, surface water, community soil, and air emissions.	\$0 All remediation costs are funded by responsible parties, although the Asarco bankruptcy makes the ability of the party to pay uncertain.
Idarado Mine San Miguel & Ouray Counties	The Idarado mine extends beneath a mountain ridge between Telluride and Ouray. The major human health concern is possible exposure to heavy metals in tailings, specifically lead and cadmium. High zinc concentrations adversely affect aquatic life in nearby rivers and creeks. Farmers and ranchers downstream have concerns about contaminated irrigation water.	\$0 All remediation costs are funded by responsible parties.
Cotter (Lincoln Park) Canon City, Fremont County	The site consists of a uranium processing mill. Operation of the mine since 1958 led to contamination of soils and groundwater on the site, and groundwater contamination in the adjacent community of Lincoln Park. The contaminants of concern are uranium and resultant decay products, molybdenum, selenium, and other metals.	\$0 All remediation costs are funded by responsible parties.

Name & Location	Description	Estimated State-funded Costs through FY 29-30
Lowry Landfill Arapahoe County	The site consists of 480 acres and is a portion of the Denver Arapahoe Disposal Site. From 1966 to 1980 the landfill accepted liquid and solid municipal refuse and industrial wastes, including sewage sludge. Millions of gallons of liquid industrial wastes were co-deposited with solid industrial and municipal wastes. Six to 10 million tires were disposed of on-site. Liquids have seeped from the pits and mixed with other refuse, contaminating ground and surface water with volatile and semi-volatile organic compounds.	\$0 All remediation costs are funded by responsible parties.
Marshall Landfill Boulder County	The site covers over 160 acres in southeast Boulder County. The inactive landfill has contaminated the Cowdrey Drainage and Community Ditch, which provide raw drinking water conveyance for Louisville. Chemicals found in the groundwater and surface water at the site include volatile organic compounds benzene, trichloroethylene, and tetrachloroethylene; heavy metals; and major ions such as chloride, nitrate, and sulfate.	\$0 All remediation costs are funded by responsible parties.
PJKS Air Force Base Jefferson County	The site is a 460 acre facility that was used for missile/rocket manufacturing, research and development, and rocket fuels development. Contaminants in soil and groundwater include volatile organic compounds, hydrocarbons, rocket fuel, organic and inorganic compounds, and some radionuclides.	\$0 All remediation costs are funded by responsible parties.
Rocky Flats Jefferson County	The site consist of 6,262 acres plus property beyond the boundaries that has become contaminated from the site. Rocky Flats produced components for nuclear weapons for more than 50 years. Radionuclides such as plutonium and americium, metals, solvents, and other organic compounds are present in soils, buildings, surface water, and groundwater. Contaminated groundwater discharges to site surface water.	\$0 All remediation costs are funded by responsible parties.
Rocky Mountain Arsenal Commerce City, Adams County	The site is a 27-square mile U.S. Army facility used between 1942 and 1982 as a chemical agent/incendiary munitions plant. The property was also the site of a Shell Oil Company pesticide and insecticide manufacturing facility. Contaminants in soils, structures, and groundwater include pesticides, heavy metals, organic solvents, and chemical agent breakdown products. Unexploded ordnance with nerve agents have also been found. Groundwater contamination moved off-site before treatment systems were installed.	\$0 All remediation costs are funded by responsible parties.

Name & Location	Description	Estimated State-funded Costs through FY 29-30
Sand Creek Industrial Commerce City, Adams County	The 350-acre site is comprised of a closed landfill, a former pesticide manufacturer, a closed acid storage impoundment, and a former oil refinery. Volatile and semi-volatile organic compounds, petroleum products, pesticides, herbicides, and metals contaminate soil, surface water, and groundwater at the site.	The state pays \$65,000 annually for continued site-wide groundwater monitoring.
Smelertown Salida, Chaffee County	The 125-acre site on the Arkansas River has been used for metals smelting and the creosote treatment of railroad ties. Contamination at the site includes heavy metals in mining waste, soils, and groundwater, and creosote-contaminated soils and groundwater.	\$0 All remediation costs are funded by responsible parties.
Smuggler Mine Aspen, Pitkin County	This 116-acre site is in the city of Aspen. Housing units and recreational facilities have been constructed on mine waste. The health hazard involves potential exposure to heavy metals in soils, primarily lead, arsenic, and cadmium.	All work completed. Ongoing management is overseen by the county.
Standard Mine Crested Butte	The 20-acre mine site is located outside of Crested Butte. The mine consists of several waste piles and a discharging tunnel. This site was recently added to the list and the remedial investigation is in progress at this time.	The state will be responsible for cost-sharing the clean-up and on-going operations and maintenance. However, the remedy has not been chosen and cost estimates are not available.
Summitville Mine Rio Grande County	This 1,400-acre site is at an elevation of 11,500 feet and is surrounded by National Forest. The Alamosa River and its tributaries flow from the site, through forest and agricultural land, and are used for irrigation. Water is impacted by heavy metals, particularly copper and aluminum.	Clean-up is estimated at \$4.0 million (the state would likely pay only 10%). The state would also be responsible for on-going costs (10% for the first 10 years).
Uravan Mill Uravan, Montrose County	This site is located above the San Miguel River between the Uncompahgre Plateau and the Paradox Valley. Radium, uranium, and vanadium ores located throughout the Colorado Plateau were processed here from the late 1800s until 1984. Soil, mill residues, and mill structures are contaminated from uranium mill tailings and other processing residues. Contaminated groundwater is pumped into lined impoundments and evaporated.	\$0 All remediation costs are funded by responsible parties.

Name & Location	Description	Estimated State-funded Costs through FY 29-30
<p>Vasquez Blvd. & I-70 City & County of Denver</p>	<p>Two smelters operated at various times on the site from the 1870s through the 1900s. Contaminants of concern are heavy metals, particularly arsenic and lead. Exposure can occur through ingestion of contaminated soil particles and inhalation of contaminated airborne particles (dust). Possible contamination of groundwater has not yet been assessed.</p>	<p>The state's share of clean-up costs to date are \$2.6 million. It is likely that the City and County of Denver will pay for at least some of the remaining clean-up and on-going costs.</p>
<p>Woodbury Chemical Commerce City, Adams County</p>	<p>The 11-acre site was used to manufacture pesticides and as a chemical distributorship. Contamination includes construction rubble and debris from a fire, bags of pesticides, and contaminated soil. The chemicals of concern are metals (including arsenic and zinc), organochlorine pesticides (including aldrin, chlordane, DDT, dieldren, and toxaphene), and volatile organic chemicals (including tetrachloroethylene and trichloroethylene). Contamination is restricted to surface soils.</p>	<p>\$0 Cleanup of this site was completed in June 1992.</p>