

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2008-09**

**DEPARTMENT OF PUBLIC HEALTH AND  
ENVIRONMENT**

**(Environmental Divisions Only)**

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

**Prepared By:  
Craig Harper, JBC Staff  
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For Further Information Contact:

Joint Budget Committee Staff  
200 E. 14th Avenue, 3rd Floor  
Denver, Colorado 80203  
Telephone: (303) 866-2061  
TDD: (303) 866-3472

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**Other Balancing Options**

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N.A

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**Prioritized Supplementals**

**Supplemental Request, Department Priority #1a  
Colorado Oil and Gas Commission**

	Request	Recommendation
Total	\$61,608	\$38,746
FTE	<u>0.4</u>	<u>0.3</u>
Cash Funds	61,608	38,746

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of <i>data that was not available when the original appropriation was made</i> . The regulations requiring CDPHE consultation in the Oil and Gas Conservation Commission's permitting process were not yet written when the original appropriation was made and constitute new information that was unavailable at that time.	

**Department Request:** The Department requests an increase of \$61,608 cash funds spending authority and 0.4 FTE for FY 2008-09 and an FY 2009-10 budget amendment for \$255,568 cash funds and 1.5 FTE to implement regulations promulgated by the Colorado Oil and Gas Conservation Commission (COGCC) in relation to H.B. 07-1341. The cash funds are from the Oil and Gas Conservation and Environmental Response Fund created in Section 34-60-122, C.R.S. and controlled by the COGCC. Funds in the Oil and Gas Conservation and Environmental Response Fund are from the mill levy assessed on oil and natural gas extracted in the State. The new rules require CDPHE consultation with the COGCC during the oil and gas permitting process under certain conditions, and the Department is requesting additional FTE and operating funds to implement those regulations.

**Background:** H.B. 07-1341 requires the COGCC to promulgate rules and establish a procedure for the timely review of applications for permits to drill and applications for an order establishing or amending a drilling and spacing unit (see Section 34-60-106, C.R.S.). The bill required the COGCC to consult the Department in the development of those rules and procedures and to allow the Department to provide comments during the COGCC's decision-making process on such permits.

The COGCC finalized the rules in December 2008, with an effective date of April 1, 2009 for non-federal lands and May 1, 2009 for federal lands. The Department is requesting funds to implement the rules for the last three months of FY 2008-09 based on the April 1, 2009 effective date.

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The rules limit CDPHE's consultation role to four potential situations: 1) an operator seeks a variance from rules designed to protect public health or the environment; 2) a local government requests consultation by the Department; 3) COGCC develops an area-wide comprehensive plan for development of oil and gas in a given area; and 4) an operator seeks COGCC approval of an increase in well density. The Department estimates that approximately 10 percent of permit the COGCC's approximately 7,000 permit applications per year will require CDPHE consultation, resulting in roughly 700 consultations per year.

**Staff Analysis:** The Department is requesting the following resources in FY 2008-09:

	FY 2008-09 Supplemental		FY 2009-10 Budget Amend.	
	Cash Funds	FTE	Cash Funds	FTE
Personal services for newly requested FTE	34,812	0.4	139,250	1.5
Operating costs associated with newly requested FTE*	8,198	N/A	1,425	N/A
Additional operating funds unrelated to new FTE*	5,701	N/A	25,802	N/A
Legal services(35 hrs in FY 2008-09 and 70 hrs in FY 2009-10)	2,628	N/A	5,256	N/A
Departmental indirect costs	10,268	N/A	42,595	N/A
Additional pay for 2.0 FTE authorized through H.B. 07-1341	<u>\$0</u>	<u>N/A</u>	<u>\$41,240</u>	<u>N/A</u>
<b>Total</b>	<b>\$61,608</b>	<b>0.4</b>	<b>\$255,568</b>	<b>1.5</b>

\*All operating expenses are requested for the Stationary Sources, Operating Expenses line item. Staff has separated expenses related to the newly requested FTE for informational purposes only.

The request includes an FY 2009-10 budget amendment that would: 1) annualize the FY 2008-09 supplemental and 2) increase personal services funding in FY 2009-10 to allow the Department to pay the 2.0 FTE authorized by H.B. 07-1341 at a level 30 percent above the range minimum.

Below is a discussion of each component of the request outlined in the table above.

Personal services for newly requested FTE

The Department is requesting \$34,812 cash funds and 0.4 FTE for the last three months of FY 2008-09 (annualizing to \$139,250 and 1.5 FTE in FY 2009-10) to hire additional personnel to implement the new COGCC rules. The request includes:

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1. \$24,952 cash funds and 0.3 FTE (annualizing to \$52,162 and 1.0 FTE in FY 2009-10) for an Environmental Protection Specialist (EPS) III to supervise the 2.0 EPS II FTE appropriated in H.B. 07-1341 as well as assist with the anticipated consultation workload.
2. \$9,860 cash funds and 0.1 FTE (annualizing to \$39,439 and 0.5 FTE in FY 2009-10) for an Information Technology Professional II to assist with information technology needs associated with the new rules. As noted above, the Department is seeking to pay both positions at 30 percent above the respective range minimums to attract applicants.

*Background.* H.B. 07-1341 authorized 2.0 EPS II FTE in FY 2008-09 to implement consultation rules called for in the bill. The appropriation assumed that the Department would fill each position at the minimum salary. However, according to the Department, when the positions were advertised as statewide promotional opportunities, the qualified applicants all required salaries well above the range minimum to make a transfer possible. As a result, the Department filled one of the two authorized positions by increasing the salary to 30 percent above the range minimum. Doing so left insufficient resources to fill the remaining position, and the Department says that filling both will not be possible without additional salary resources. The FY 2008-09 supplemental request does not include additional salary dollars for the previously authorized FTE. However, the Department is requesting the additional resources for FY 2009-10 through a budget amendment.

*EPS III FTE.* The Department contends that even the full 2.0 FTE authorized by H.B. 07-1341 would be inadequate to implement the rules approved in December and that an additional EPS III FTE will be necessary in order to complete adequate consultations under the deadlines imposed by the rules. Rule 306, which outlines the Department's consultation requirements, requires any such consultations to be completed within 40 days of the beginning of the public comment period on a given application.

Under the Department's plan, the 3.0 EPS FTE will function as "consultation coordinators" for all consultations under the new rules. The coordinators will review applications requiring consultation and distribute them to the appropriate program staff and subject matter experts. The coordinators will also conduct their own reviews and compile all of the Department's comments into a final report for the COGCC for each application. Finally, the coordinators will be responsible for site visits, meetings with local governments, and other field trips. Because the new rules will require subject matter expertise in a variety of fields (affecting the air, water, and hazardous materials divisions), the Department plans to have subject matter experts assist with all site visits and field consultations until each coordinator becomes comfortable enough with the range of issues to handle such meetings independently. The Department anticipates a need for six to twelve months of such training for each consultation coordinator to become proficient enough to handle most consultations independently,

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although other programs' staff will continue to review permit applications and provide comments.

As noted above, the Department estimates that about 10 percent of permit applications submitted to the COGCC will require some CDPHE consultation. With the COGCC receiving more than 7,000 permit applications per year, the Department anticipates a need for at least 700 consultations annually. The Department further estimates that each consultation will require an average of approximately 9 hours of work by the consultation coordinators, in addition to any work required of staff from other programs. The Department's assumptions result in a need for 6,364 hours of coordinators' time per year, equivalent to 3.0 FTE coordinators.

Because the regulations are not yet effective, workload estimates remain uncertain. However, based on discussions with Department staff, the estimates appear to be reasonable. Staff agrees that an additional FTE will likely be necessary in order to meet the Department's obligations under the new rules.

*Pay Premium.* In the current economic climate, staff is somewhat skeptical that a pay premium of 30 percent above the minimum salary should be necessary. However, the Department argues, and staff agrees, that direct competition for employees from the oil and gas industry would make this position difficult to fill at the range minimum. Because applicants for a position at this level would likely be attractive to the oil and gas industry as well, staff does agree that a pay premium will likely be necessary to attract and retain qualified staff.

**Staff recommends that the Committee approve the Department's request for \$24,952 cash funds and 0.3 FTE in FY 2008-09. The recommendation includes a salary at 30 percent above the range minimum for the EPS III position.**

*IT Professional FTE.* The Department is also requesting \$8,835 cash funds and 0.1 FTE (annualizing to \$35,340 cash funds and 0.5 FTE in FY 2009-10) for an information technology professional to support systems used in the consultation process. As with the EPS III position, the request would provide a salary 30 percent above the range minimum, and the Department argues that the premium is necessary to attract qualified applicants. The Department argues that the new consultation responsibilities will drive significant information technology needs.

Staff is unconvinced that adding an additional consultation coordinator, or even the 3.0 FTE that would then be authorized to implement H.B. 07-1341, should drive the need for new I.T. staff. Much of the work evaluating applications will be performed by program staff already receiving I.T. support from the existing I.T. staff, although the Department has indicated that the requested staff

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could serve all of the oil and gas group. **Staff recommends that the Committee deny the request for the I.T. staff.** Staff does not believe the need for the additional I.T. staff is adequately justified.

*Pay Premium.* If the Committee does elect to approve the requested I.T. position, staff also recommends against the request to provide 30 percent above the range minimum salary. While the consultation coordinator position addressed above requires oil and gas expertise and would require competition with the oil and gas industry, the requested I.T. position does not appear to warrant the same level of exception. Staff does not see a rationale to explain why this position should receive a higher salary than similar I.T. positions in other departments.

Operating expenses directly related to new FTE

The Department is requesting \$8,198 cash funds in FY 2008-09 for operating expenses directly associated with the new FTE (annualizing to \$1,425 in FY 2009-10). The request includes funds for computers, supplies, telephone bases, and other resources needed for new FTE. Because the majority are one-time costs, the expenses decline in the second year. **If the Committee approves the requested FTE, then staff recommends providing the related operating expenses. Based on staff's recommendation to approve the consultation coordinator FTE but deny the information technology staff FTE, staff recommends that the Committee approve a supplemental appropriation of \$5,466 cash funds for operating expenses related to the consultation coordinator FTE.**

Additional operating expenses unrelated to new FTE

The Department is also requesting \$5,701 cash funds (annualizing to \$25,802 in FY 2009-10) for additional operating expenses that the Department argues will be needed to implement the new regulations *regardless of whether or not the General Assembly approves the additional FTE discussed above.* The fiscal note for H.B. 07-1341 provided \$1,000 per year for the Department's operating expenses related to the bill. The Department estimates that it will need a total of \$6,701 in FY 2008-09 and \$26,802 in FY 2009-10 for travel related to consultations under the new rules, resulting in a need for an additional \$5,701 above the \$1,000 provided by H.B. 07-1341.

The request is based on anticipated staff travel for permit consultations. The request assumes that 10 percent of the 700 to 800 anticipated CDPHE consultations would require a site visit and/or local government meeting. Half of the 70 to 80 trips per year are assumed to be to the Western Slope and require overnight stays. Each trip would require two staff members, at least during the training period (one subject matter expert and one coordinator, as discussed above). The request assumes three overnight trips per month to the Western Slope and three one-day trips per month elsewhere in the State, totaling 18 trips in the last three months of FY 2008-09 and 72 trips in FY 2009-10. The following table explains the assumptions and calculations behind the operating request.



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	FY 2008-09	FY 2009-10
Meals for W. Slope Travel (3 two-day trips per month for 2.0 FTE at \$36.75 per day)	\$1,323	\$5,292
Lodging (3 overnight trips per month for 2.0 FTE at \$100 per night per FTE)	1,800	7,200
Mileage payments for W. Slope trips (3 trips per month, 500 miles per trip at \$0.53 per mile for one vehicle)	2,385	9,540
Mileage for other trips (3 trips per month, 250 miles per trip at \$0.53 per mile)	1,193	4,770
Minus operating expenses provided in H.B. 07-1341	(1,000)	(1,000)
<b>Total</b>	<b>\$5,701</b>	<b>\$25,802</b>

Staff has had difficulty analyzing the Department's assumptions regarding the necessary number consultations and therefore the necessary number of field trips. Because the consultation responsibility is new and the rules have not yet taken effect, the Department does not have relevant data. That said, the workload assumptions appear to be reasonable.

**Staff recommends that the Committee approve the request for \$5,701 cash funds for operating expenses that are unrelated to the newly requested FTE.**

Legal Services

The Department estimates that implementation of the new rules will require an additional 35 hours of legal services in FY 2008-09 and 70 additional hours in FY 2009-10. The Department is anticipating a need for legal advice concerning the interpretation of the new rules and implementation of the Department's consultation responsibilities. According to the request, the estimate is based on previous consultations with the Attorney General's Office for other programs.

**Staff recommends that the Committee approve the Department's request for an additional \$2,628 cash funds for 35 additional hours of legal services provided by the Attorney General's Office (annualizing to 70 hours in FY 2009-10).** Given the complex and contentious nature of the new rules, staff agrees that additional legal services are likely to be necessary at least in the near term.

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Departmental Indirect Costs

The Department is requesting \$10,268 cash funds for indirect costs related to the request in FY 2008-09 (annualizing to \$42,595 in FY 2009-10). The indirect cost request reflects 20 percent of the direct costs requested. Under fiscal note policies, no indirect costs were provided for in the fiscal note for H.B. 07-1341. The Department is requesting an increase to account for indirect costs associated with the supplemental/budget amendment requests, including lease costs, utilities, copying, etc.

Based on the fiscal notes policy, staff is reluctant to recommend additional indirect costs associated with this request. In addition, staff is unconvinced that an addition of 0.4 FTE should drive an additional \$10,268 in departmental indirect costs this year, particularly in a line item housing 87.2 FTE. In light of the fiscal note policy not to include indirect costs for bills, and the low number of FTE involved in this request, **staff recommends that the Committee deny the request for additional indirect costs.**

The following table displays the request and recommendation for each line item affected by Supplemental 1-a.

	FY 2008-09 Supplemental Department Request.		FY 2008-09 Staff Recommendation	
	Cash Funds	FTE	Cash Funds	FTE
(1) Administration and Support, (A) Administration, Legal Services	\$2,628	N/A	\$2,628	N/A
(5) Air Quality Control Division, (A) Administration, Indirect Cost Assessment	10,268	N/A	0	N/A
(5) Air Quality Control Division, (D) Stationary Sources, Personal services	34,812	0.4	24,952	0.3
(5) Air Quality Control Division, (D) Stationary Sources, Operating Expenses	13,900	N/A	11,167	N/A
<b>Total</b>	<b>\$61,608</b>	<b>0.4</b>	<b>\$38,747</b>	<b>0.3</b>

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**Supplemental Request, Department Priority #4  
Technical Corrections**

	Request	Recommendation
Total	\$0	\$0
FTE	<u>0.0</u>	<u>0.0</u>
Cash Funds FTE	2.1	2.1
Reappropriated Funds FTE	(2.1)	(2.1)

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

**Department Request:** The Department requests a transfer of 2.1 FTE from reappropriated funds to cash funds within the Water Quality Control Division, Watershed Assessment, Outreach, and Assistance Personal Services Line Item. The request seeks to correct a technical error in the FY 2008-09 appropriation, where funds that had previously been classified as cash funds exempt were appropriately transferred to cash funds for FY 2008-09 but the related FTE were not transferred and remained in the new reappropriated funds category.

**Staff Analysis:** Staff agrees that the 2.1 FTE in question should have been moved to cash funds for FY 2008-09. There are insufficient reappropriated funds in this line item to fund the FTE as appropriated in the Long Bill.

**Staff recommends that the Committee approve the Department's request to transfer 2.1 FTE from reappropriated funds to cash funds for the Watershed Assessment, Outreach, and Assistance Personal Services line in FY 2008-09.** The recommendation does not affect funding for the line item.

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**Supplemental Request, Department Priority #6 (Modifying a Committee-approved interim supplemental from September 2008)  
Colorado Oil and Gas Commission Computer System Update**

	Previously Approved	Revised Request	New Staff Recommendation
Total	<u>\$90,944</u>	\$65,906	<u>\$65,906</u>
Cash Funds	90,944	65,906	65,906

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of <i>data that was not available when the original appropriation was made</i> . The request would eliminate funding provided through a FY 2008-09 interim supplemental for a computer software system that the Department has learned would duplicate software already built for the COGCC.	

**Department Request:** The Department requests a supplemental reduction of \$25,038 cash funds from the Oil and Gas Conservation and Environmental Response Fund to reduce funding provided in a Committee-approved interim supplemental from September 2008. The Committee approved the requested interim supplemental to allow the Department to acquire a new software system required by COGCC rules promulgated in December 2008 (the rules are discussed above with respect to Supplemental 1a). However, the Department has determined that an existing system controlled by the COGCC would adequately serve the Department's needs.

**Staff Analysis:** Since the approval of the interim supplemental, the Department has learned that the COGCC has developed software that would suffice for one of the funded systems, the "Oil and Gas Applicant Surface Water Area Mapping Tool." According to the Department, the COGCC software was developed as an "interim" system but is adequate for the Department's needs going forward. Thus, the Department is seeking to eliminate the funding for that portion of the interim supplemental. Funding for the other system, which will track permits through the Department's consultation process, is unaffected by the request.

**Staff Recommendation:** Staff recommends that the Committee approve a reduction of \$25,038 cash funds spending authority to eliminate funding for the mapping tool and revise the interim supplemental accordingly. The following table reflects the revised recommendation by line item.

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Staff Recommended Adjustment to JBC Approved FY 2008-09 Interim Supplemental		
	Previously Approved	New Recommendation
<i>Air Quality Control Division, Administration, Indirect Cost Assessment</i>	\$1,344	\$1,306
<i>Air Quality Control Division, Stationary Sources, Personal Services</i>	89,600	64,600
Total	\$90,944	\$65,906

**Supplemental Request, Department Priority #9  
Reduce Funding for Water Quality Operating Expenses**

	Request	Recommendation
Total	(\$65,200)	(\$65,200)
General Fund	(65,200)	(65,200)

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

**Department Request:** The Department requests a one-time reduction of \$65,200 General Fund, spread among three operating expenses line items within the Water Quality Control Division to provide General Fund for budget balancing purposes in FY 2008-09. The request would reduce the appropriations for operating expenses for three subdivisions: 1) Watershed Assessment, Outreach, and Assistance; 2) Permitting and Compliance Assurance; and 3) Drinking Water.

**Staff Analysis:** Among the environmental divisions at CDPHE, only the Water Quality Control Division and the Consumer Protection Division receive General Fund appropriations. As a result, the environmental divisions present limited opportunities for General Fund reductions. This request is the Department's only request to reduce General Fund in the environmental divisions outside of the hiring freeze discussed below.

The following table shows the requested reductions as a proportion of the FY 2008-09 General Fund appropriation for each line item and as a proportion of the total appropriation for each line item.

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Operating Expenses Line Item	Proposed GF Reduction	General Fund		Total	
		FY 2008-09 GF Approp.	Reduction as Percentage of GF Approp.	FY 2008-09 Total Approp.	Reduction as Percentage of Total Approp.
Watershed Assessment, Outreach, and Assistance	(\$17,823)	\$376,207	-4.7%	\$525,768	-3.4%
Permitting and Compliance Assurance	(\$28,363)	\$227,706	-12.5%	\$383,866	-7.4%
Drinking Water	(\$19,014)	\$94,877	-20.0%	\$213,583	-8.9%

As a proportion of the General Fund and the total appropriation, the Drinking Water program would see the largest percentage reduction, losing 20.0 percent of the FY 2008-09 General Fund appropriation and 8.9 percent of the total appropriation. For additional context, the proposed reductions represent 2.5 percent of the Water Quality Control Division's FY 2008-09 General Fund appropriation and 1.7 percent of the environmental divisions' total General Fund appropriation.

*Impact of the Reductions.* According to the Department, the requested reduction would decrease the number of inspections and site visits conducted in FY 2008-09, thereby reducing regulatory oversight and on-site technical assistance. The following table shows the number of inspections and site visits eliminated by the proposed reductions in comparison to the total number of inspections anticipated for FY 2008-09.

	Number of Inspections/Site Visits in FY 2008-09	Number Eliminated by Proposed Reductions	Reduction as Percentage of Total
Drinking Water Inspections	300	10	3.3%
Permitting and Compliance Assurance Wastewater Inspections	250	15	6.0%
Watershed Program Site Visits	805 water quality visits 40 fish tissue visits	31 water quality visits 10 fish tissue visits	3.9% water quality 25.0% fish tissue

For the Drinking Water and Permitting and Compliance Assurance programs, the Department's inspection schedule is driven by federal and state regulations. The Department has indicated that the

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proposed reductions will not have a significant impact on the Division’s ability to meet federal and state statutory requirements to retain primacy for drinking water and permitting programs. While reducing the number of inspections will generate a backlog that will have to be made up in future years to avoid losing primacy over these programs, the small number of inspections eliminated should not cause significant problems for the drinking water and permitting programs.

Staff also explored the possibility of taking further reductions in these lines. The Department has expressed concern about further reducing the number of inspections and site visits because of the additional backlog that doing so would create and the potential long term impacts on the State’s ability to maintain primacy over the water programs.

**Staff Recommendation: Staff recommends that the Committee approve the proposed \$65,200 General Fund reduction.**

**Supplemental Request, Department Priority #16  
Hiring Freeze Savings**

	Request	Recommendation
Total	(\$199,501)	(\$225,408)
FTE	<u>0.0</u>	<u>(2.4)</u>
General Fund	(35,706)	(35,706)
Cash Funds	(163,795)	(189,702)

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

**Department Request:** The Department requests a total reduction of \$199,501 (\$35,706 General Fund and \$163,795 cash funds) to capture hiring freeze savings in the Department’s environmental divisions. The supplemental request includes additional savings in the health divisions, which were addressed in a previous supplemental presentation. The request for the environmental divisions affects a total of six personal services line items spread among the Air Quality Control Division, the Water Quality Control Division, and the Consumer Protection Division. The General Fund

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reductions are restricted to the Water Quality Control and Consumer Protection divisions. The request does not include reductions in FTE.

**Staff Analysis:** According to a report provided by OSPB, the hiring freeze has affected a total of 13 positions department-wide, with a total savings of \$392,453, including \$35,706 General Fund. Of the department-wide total, \$199,501 (50.8 percent) is in the environmental divisions, including all \$35,706 of the Department’s requested General Fund decrease.

Within the environmental divisions, the hiring freeze has affected the two line items in the Air Quality Control Division, three line items in the Water Quality Control Division, and the single personal services line item in the Consumer Protection Division. Unfortunately, staff has been unable to tie the 13 positions shown in the OSPB report to specific line items, making precise calculations of FTE impacts for each line impossible. Staff has estimated the FTE impact by calculating an average cost per FTE for each affected line and fund source and then applying the average cost per FTE to the proposed funding reduction.

Staff has also taken an additional reduction to the proposed cash funds for each affected line item to reflect the fact that OSPB’s calculations did not incorporate the lack of a pay date shift at the end of the fiscal year for cash funded employees. As discussed in previous supplemental presentations, correcting for the lack of pay date shift in cash funded lines adds an additional month of savings for each frozen position in FY 2008-09.

**Staff Recommendation:** Staff recommends that the Committee reduce the environmental divisions FY 2008-09 personal services appropriations by a total of \$225,408, including \$35,706 General Fund and \$189,702 cash funds. Staff further recommends that the Committee reduce the environmental divisions’ FTE count by a total of 2.4 FTE.

**Non-Prioritized Supplementals**

**Supplemental NP-18 (Department of Law #3)  
Rocky Flats Legal Services for ~~139~~ 550 hours**

	Request	Recommendation
Total	\$30,866	Pending
Federal Funds	30,866	Pending



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

**Department Request:** The Department requests an increase of \$30,866 federal funds to pay for additional legal services provided by the Department of Law related to Rocky Flats. The request would increase the Hazardous Materials and Waste Management Division's Rocky Flats Agreement legal services appropriation from 139 hours to 550 hours for FY 2008-09.

**Staff Recommendation:** Staff's recommendation with respect to this supplemental is pending the Committee's consideration of the Department of Law's supplemental request. **Staff asks permission to include the corresponding appropriation in the Department's supplemental bill based on the Committee's decision with respect to the Department of Law's supplemental.**

**Previously Approved Interim Supplemental  
Colorado Oil and Gas Commission**

This supplemental was addressed above with Supplemental #6, Colorado Oil and Gas Commission Computer System Update, which modifies the Committee-approved interim supplemental.

**Statewide Common Policy Supplemental Requests**

Statewide common policy requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

**Staff Recommendation:** Neither the Department nor OSPB has submitted statewide supplemental requests, but these requests may be received in the near future. If requests are submitted, they will be presented to the Committee by the Common Policy analyst. **Staff asks permission to include the corresponding appropriations in the Department's supplemental bill if the Committee approves a common policy supplemental.** If staff believes there is reason to deviate from the common policy, staff will appear before the Committee later to present the relevant analysis.

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**Cash Fund Transfers**

**Department Requested Transfer, OSPB #14  
Transfer from Recycling Resources Economic Opportunity Fund  
Statutory Change Required**

FY 2008-09	Request	Recommendation
Transfer from Recycling Resources Economic Opportunity Fund to General Fund	\$1,000,000	\$1,500,000

**Staff Analysis:** The Department is proposing a transfer of \$1 million from the Recycling Resources Economic Opportunity Fund, established in Section 25-16.5-106.7, C.R.S., to the General Fund. The Recycling Resources Economic Opportunity Fund provides grants to local governments and private entities to increase recycling rates. Funds are from disposal fees collected at solid waste disposal facilities and for the disposal of waste tires.

The fund began collecting fees in FY 2007-08 but was not authorized to begin awarding grants until FY 2008-09. As a result, the fund built up a balance of approximately \$1.3 million going into FY 2008-09 - the request would transfer \$1 million of that balance.

*Impact of the Transfer.* Staff does not anticipate any significant impact on the program. Under current estimates, the Department's proposed transfer would leave \$702,645 in the fund at the end of FY 2008-09 even after transferring \$1 million to the General Fund. The program's revenues are expected to exceed expenditures again in FY 2009-10, leaving a balance of \$914,456 in the fund when the program is scheduled to sunset (pursuant to Section 25-16.5-105) in July 2010, even with a \$1 million transfer in FY 2008-09.

*Additional Transfer Possible.* As shown in the first table below the recommendation section, the Department anticipates a fund balance of more than \$700,000 will remain in the fund at the end of FY 2008-09, growing to roughly \$915,000 at the end of FY 2009-10, even with a transfer of \$1 million to the General Fund in FY 2008-09. Under current law, the program is scheduled to sunset in July 2010, and the Department estimates that the fund will still hold nearly \$1 million at that time even after the requested transfer. Given the Department's current revenue and expenditure estimates, and that the Department expects revenues to exceed expenditures in FY 2008-09 and FY 2009-10, staff believes the Committee could transfer more than \$1 million to the General Fund without harming the program.

Staff offers three options for the Committee's consideration:

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1. (Department Request). Transfer \$1 million from the Recycling Resources Economic Opportunity Fund to the General Fund in FY 2008-09, as requested. Doing so would allow the Committee flexibility to make another transfer in FY 2009-10. The Department's current estimates show that a transfer of up to \$914,000 could be possible in FY 2009-10 even after transferring \$1 million in FY 2008-09.
2. (Staff Recommendation). Transfer \$1.5 million to the General Fund in FY 2008-09. Doing so would decrease the size of any possible transfer in FY 2009-10 by \$500,000.
3. Do not transfer any resources to the General Fund.

If the General Assembly intends to remove the program's sunset clause, then leaving a balance in the fund going into FY 2010-11 may make sense, although if revenues continue to exceed expenditures then such a carryover balance may not be necessary.

*Statutory Change:* Section 25-16.5-106.7, C.R.S., states that any funds remaining in the fund at the end of the year shall remain in the fund and not revert to the General Fund, and that "no money in the fund shall be used for the administration, implementation, or enforcement of any state law or rule." Therefore, a statutory change would be required to transfer any amount from the Recycling Resources Economic Opportunity Fund to the General Fund.

**Staff recommends that the Committee include language to transfer \$1.5 million from the Recycling Resources Economic Opportunity Fund to the General Fund in FY 2008-09 in the anticipated cash funds transfer omnibus bill.**

<b>Recycling Resources Economic Opportunity Fund Department Request</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Estimate</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate*</b>
Beginning FY Balance	\$0	\$1,291,648	\$702,645	\$914,456
Revenues	1,633,095	2,629,361	2,629,361	0
Expenditures	<u>(341,447)</u>	<u>(2,218,364)</u>	<u>(2,417,550)</u>	<u>0</u>
Ending FY Balance without transfer	\$1,291,648	\$1,702,645	\$914,456	\$914,456
Proposed Transfer	<u>0</u>	<u>(1,000,000)</u>	<u>0</u>	<u>0</u>
Ending Balance after transfer	\$1,291,648	\$702,645	\$914,456	\$914,456

\*Section 26-16.5-105 states that the program sunsets in July 2010, so staff assumes no revenues and no expenditures in FY 2010-11 and beyond.

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<b>Recycling Resources Economic Opportunity Fund Staff Recommendation</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Estimate</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate*</b>
Beginning FY Balance	\$0	\$1,291,648	\$202,645	\$414,456
Revenues	1,633,095	2,629,361	2,629,361	0
Expenditures	<u>(341,447)</u>	<u>(2,218,364)</u>	<u>(2,417,550)</u>	<u>0</u>
Ending FY Balance without transfer	\$1,291,648	\$1,702,645	\$414,456	\$414,456
Recommended Transfer	<u>0</u>	<u>(1,500,000)</u>	<u>0</u>	<u>0</u>
Ending FY Balance after transfer	\$1,291,648	\$202,645	\$414,456	\$414,456

\*Section 26-16.5-105 states that the program sunsets in July 2010, so staff assumes no revenues and no expenditures in FY 2010-11 and beyond.

**Department Requested Transfer, OSPB #11  
Transfer from Hazardous Substance Response Fund  
Statutory Change Required**

<b>FY 2008-09</b>	<b>Request</b>	<b>Recommendation</b>
<b>Transfer from Hazardous Substance Response Fund</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>

**Staff Analysis:** The Hazardous Substance Response Fund (HSRF), created in Section 25-16-104.6, C.R.S., funds the State's superfund program. The funds are from a portion of solid waste tipping fees, in addition to any General Fund appropriated into the HSRF by the General Assembly. The Department is proposing to transfer \$10 million from the HSRF to the General Fund in FY 2008-09.

In 2002, the General Assembly enacted H.B. 02-1391 to transfer \$30 million from the HSRF to the General fund to cover General Fund shortfalls during the last downturn. The \$30 million was repaid to the HSRF in January 2006. Largely as a result of the repayment in 2006, the fund again contains a significant fund balance (\$40.6 million at the end of FY 2007-08 and an estimated \$42.4 million at the end of FY 2008-09). However, staff notes that accumulation of HSRF fund balances is intentional and necessary to accommodate the fund's anticipated future liabilities.

*Impact of the Transfer.* Given the large balance in the HSRF, it is clear that the fund can absorb a transfer of \$10 million or more without *immediate* impact on the Department's operations or on

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public health. However, staff also notes that transfers from the HSRF do have *long term* consequences because of the loss of revenue in the face of increasing future liabilities.

With the current fund balances and no transfer, the Department estimates that the HSRF will become insolvent (effectively reach a negative balance) in FY 2024-25 because of anticipated increases in State costs. In response to staff questions, the Department estimated the impact of transferring HSRF funds to the General Fund under several scenarios, with transfers ranging from \$10 million to \$30 million and the balances either repaid in five years or not repaid at all. Even when a transfer is repaid to the HSRF, the fund loses interest for the period that the transfer is outstanding, and losing several years of interest on millions of dollars does impact fund solvency. While the data represent only current projections and depend on assumptions about future revenues and obligations, the chart illustrative of the long-term consequences of such a transfer.

The table below shows the Department’s estimates of the outcome under each scenario.

	<b>Repayment Timeline</b>	<b>Year Fund Balance Becomes Negative</b>	<b>Estimated End of Year Fund Balance in FY 2024-25</b>
No Transfer in FY 2008-09	N/A	FY 2024-25	(\$2,334,000)
\$10 Million Transfer	Repaid in FY 2013-14	FY 2024-25	(\$3,984,000)
	Not Repaid	FY 2022-23	(\$16,683,000)
\$20 Million Transfer	Repaid in FY 2013-14	FY 2024-25	(\$5,600,000)
	Not Repaid	FY 2020-21	(\$30,382,000)
\$30 Million Transfer	Repaid in FY 2013-14	FY 2023-24	(\$7,215,000)
	Not Repaid	FY 2018-19	(\$43,467,000)

Under all scenarios, the HSRF remains solvent for at least ten years, even with a \$30 million transfer that is not repaid. However, the impacts of increasing the size of the transfer or not repaying the HSRF are clear after FY 2018-19. The Department expects a significant increase in annual costs in FY 2018-19 (from approximately \$5 million per year to approximately \$10 million per year) because the State will become solely responsible for the operating costs of another water treatment plant at that time. The increased costs, combined with reduced fund balances, force the fund to become insolvent earlier than would be expected with no transfer in FY 2008-09.

Regardless of whether the Committee elects to transfer funds in FY 2008-09, depletion of HSRF resources will require either increases in the fees that fund the program or supplemental funding

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from the General Fund by FY 2024-25 under the best-case scenario. The requested transfer would accelerate that timing.

**Staff recommends that the Committee approve the requested transfer of \$10 million from the HSRF to the General Fund in FY 2008-09 and include the necessary language in the anticipated cash funds transfer bill.** Staff is not recommending additional transfers at this time. However, if the Committee requires additional funds to balance in FY 2008-09, then staff would recommend the HSRF as a viable source for additional transfers. Staff does recommend that the Committee prioritize repayment of the HSRF for any balance transferred to the General Fund because of the anticipated future liabilities in the program and the risk to public health and the environment if the program were to go unfunded. Complete depletion of the fund would place the State in violation of federal statute and shut down all federally funded superfund work in the State as well.

<b>Hazardous Substance Response Fund Department Request and Staff Recommendation</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Estimate</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate</b>
Beginning FY Balance	\$37,759,000	\$40,639,257	\$32,417,135	\$33,000,557
Revenues	5,348,332	4,496,751	4,349,707	4,352,921
Expenditures	<u>(2,468,075)</u>	<u>(2,718,873)</u>	<u>(3,766,285)</u>	<u>(4,280,856)</u>
Ending FY Balance without transfer	\$40,639,257	\$42,417,135	\$33,000,557	\$33,072,622
Proposed Transfer	<u>0</u>	<u>(10,000,000)</u>	<u>0</u>	<u>0</u>
Ending Balance after transfer	\$40,639,257	\$32,417,135	\$33,000,557	\$33,072,622

**JBC Staff Initiated Transfer Recommendation  
Transfer from Water Quality Improvement Fund  
Statutory Change Required**

<b>FY 2008-09</b>	<b>Recommendation</b>
Transfer from Water Quality Improvement Fund to General Fund	\$700,000

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**Staff Analysis:** The Water Quality Improvement Fund, established in Section 25-8-608 (1.5), C.R.S., includes funds collected by the Water Quality Control Division as civil penalties for water quality violations. Prior to 2006, these revenues were deposited into the General Fund. However, H.B. 06-1337 created the Water Quality Improvement Fund and directed civil penalties into the fund. The legislation also established permissible uses for the funds (see Section 25-8-608 (1.7), C.R.S.), including: 1) improving water quality in the community or water body impacted by the violation; 2) providing grants for storm water projects or to assist with planning, design, construction, or repair of domestic wastewater treatment works; and 3) providing the non-federal match for non-point source pollution projects.

Water quality improvement funds require legislative appropriation. To this point, the only appropriations have been to the Watershed Assessment, Outreach, and Assistance, Water Quality Improvement line item, which provides grants to improve water quality in local communities affected by infractions resulting in penalties.

The Water Quality Improvement line item received \$117,996 cash funds appropriations in both FY 2007-08 and FY 2008-09. The program only spent approximately \$55,000 in FY 2007-08 while the fund collected more than \$400,000 in revenues that year. Based on the cash fund reports included with the Department's November 1 budget submission, the fund balance is expected to continue to grow through at least FY 2010-11, as the Department anticipates \$650,000 per year in revenues but only plans to use \$117,996 per year. The fund balance has grown from \$76,654 at the end of FY 2006-07 to \$429,464 at the end of FY 2007-08. The Department's projections show continued growth, to \$961,468 at the end of FY 2008-09 and more than \$2 million at the end of FY 2010-11 if there is no transfer to the General Fund.

Based on review of the Department's cash fund reports and a report from the Controller's Office, staff believes that the Committee could transfer \$700,000 out of the Water Quality Improvement Fund in FY 2008-09 without any impact on the Department's operations in the near term.

Staff also explored the option of refinancing General Fund within the Department with cash fund revenues from the Water Quality Improvement Fund. However, the Department and staff both agree that making operating programs within the Department specifically dependent on this penalty revenue is not advisable.

Staff offers three options for the Committee's consideration:

1. Make no transfer and allow the fund balance to continue to grow.
2. **(Staff Recommendation).** Make a one-time transfer of \$700,000 in FY 2008-09 but allow the fund balance to continue to grow in future years. This option would also allow the Committee to make additional transfers in future years, as necessary, but would allow the

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Department to expand the Water Quality Improvement grant program beyond it's current size if additional spending authority were provided.

3. Make a transfer of \$700,000 in FY 2008-09 and amend the statute (Section 25-8-608 (1.5) to dedicate \$150,000 per year to the Water Quality Improvement Fund but deposit the remainder of receipts (\$500,000 per year according to Department estimates) in the General Fund. Doing so would allow the Water Quality Improvement program to continue to operate at the current level but would restore the remainder of the fine revenues to the General Fund.

According to the Department, applications for Water Quality Improvement grants far outstrip the available spending authority. While the Department has not requested a decision item to increase spending authority for the grant program, the Division has expressed interest in significantly expanding the grant program in the future.

Future expansion of the program may be warranted but staff believes that the Committee can make the recommended transfer of \$700,000 from the Water Quality Improvement Program in FY 2008-09 without any adverse effects on the Department's operations. **Staff recommends that the Committee include a transfer of \$700,000 from the Water Quality Improvement Fund to the General Fund in the anticipated cash funds transfer omnibus bill.**

<b>Water Quality Improvement Fund Staff Recommendation</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Estimate</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate</b>
Beginning FY Balance	\$76,654	\$429,464	\$261,468	\$793,472
Projected Revenues	407,973	650,000	650,000	650,000
Expenditures	<u>(55,163)</u>	<u>(117,996)</u>	<u>(117,996)</u>	<u>(117,996)</u>
Ending FY Balance without transfer	\$429,464	\$961,468	\$793,472	\$1,325,476
Recommended Transfer	<u>0</u>	<u>(-700,000)</u>	<u>0</u>	<u>0</u>
Ending FY Balance after transfer	\$429,464	\$261,468	\$793,472	\$1,325,476

**Other Balancing Options**

These options are presented without staff recommendation in order to maximize the Committee's choices. The Committee may wish to consider these options now or in the future.

**Numbering does not indicate priority.**



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<b>Options with <i>Appropriation</i> Impacts</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
1	(1,000,000)	1,000,000			0	
<p><b>Refinance Water Quality Control Division General Fund and Increase Fees for FY 2009-10</b></p> <p>The Water Quality Control Fund, created in Section 25-8-502 (1) (c), has accumulated a fund balance of approximately \$1.1 million as of the end of FY 2007-08. Without any transfers out, the Department intends to spend down the fund balance to less than \$600,000 by the end of FY 2010-11. As a result, staff would not recommend refinancing the Division's General Fund without a related bill to increase fees and cash fund more of the Division's operations in FY 2009-10 and beyond. However, if the General Assembly enacted legislation to increase fees to cash fund more (or all) of the Water Quality Control Division in FY 2009-10, refinancing the FY 2008-09 General Fund appropriation using the existing cash balance would be a viable option. Staff notes that during the last downturn the General Assembly enacted S.B. 03-276 to cash fund the Water Quality Control Division.</p>						

<b>Options with <i>Revenue</i> Impacts</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
1	20,000,000	(20,000,000)			0	
<p><b>Additional Cash Fund Transfer from the Hazardous Substance Response Fund</b></p> <p>The Department is requesting, and staff is recommending a \$10 million transfer from the HSRF to the General Fund in FY 2008-09. As discussed above, the transfer could grow significantly larger without <i>immediate</i> impacts on the Department's operations and the long-term impact could be minimized as long as the funds were paid back to the HSRF. In 2002, the General Assembly transferred \$30 million from the HSRF to the General Fund which was paid back in 2006. Staff would recommend additional transfers from the HSRF, as necessary for balancing purposes in FY 2008-09 or FY 2009-10 but would also recommend repayment of the funds. The Committee could consider either significantly increasing the transfer for FY 2008-09 or staging the transfers to allow another in FY 2009-10 or potentially beyond. Any transfers from the HSRF would require statutory change.</p>						
2	<p><b>Cash Fund Transfer from the Stationary Sources Control Fund</b></p> <p>The Stationary Sources Control Fund, created in Section 25-7-114.7 (2) (b) (I), had accumulated a balance of \$1.4 million as of the end of FY 2007-08 and according to the November budget submission the balance is expected to grow to \$2.27 million by the end of FY 2008-09, under a fee bill passed last session (S.B. 08-55). A transfer to the General Fund would be possible although it would accelerate the necessary timing of the Department's next bill to increase fees.</p>					

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation

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**Executive Director - James Martin**

**Supplemental #1a - Colorado Oil and Gas Commission**

*(1) Administration and Support*

*(A) Administration*

Legal Services	<u>1,470,856</u>	<u>1,936,105</u>	<u>2,628</u>	<u>2,628</u>	<u>1,938,733</u>
General Fund	8,132	8,132	0	0	8,132
Cash Funds	99,989	802,881	2,628	2,628	805,509
Cash Funds Exempt/ Reappropriated Funds	1,283,935	933,224	0	0	933,224
Federal Funds	78,800	191,868	0	0	191,868

*(5) Air Quality Control Division*

*(A) Administration*

Indirect Cost Assessment	<u>2,199,239</u>	<u>2,624,743</u>	<u>10,268</u>	<u>0</u>	<u>2,624,743</u>
Cash Funds	1,067,781	2,313,464	10,268	0	2,313,464
Cash Funds Exempt/ Reappropriated Funds	668,914	0	0	0	0
Federal Funds	462,544	311,279	0	0	311,279

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>(5) Air Quality Control Division</i>					
<i>(D) Stationary Sources</i>					
Personal Services	5,989,966	6,532,178	34,812	24,952	6,557,130
FTE	<u>75.9</u>	<u>87.2</u>	<u>0.4</u>	<u>0.3</u>	<u>87.5</u>
Cash Funds	4,609,152	5,169,597	34,812	24,952	5,194,549
FTE	59.7	67.5	0.4	0.3	67.8
Cash Funds Exempt/ Reappropriated Funds	83,726	0	0	0	0
FTE	0.5	0.0	0.0	0.0	0.0
Federal Funds	1,297,088	1,362,581	0	0	1,362,581
FTE	15.7	19.7	0.0	0.0	19.7
Operating Expenses	<u>415,211</u>	<u>404,297</u>	<u>13,900</u>	<u>11,167</u>	<u>415,464</u>
Cash Funds	361,338	402,967	13,900	11,167	414,134
Cash Funds Exempt/ Reappropriated Funds	0	0	0	0	0
Federal Funds	53,873	1,330	0	0	1,330
<b>Total for Supplemental #1</b>	10,075,332	11,497,391	61,608	38,747	11,536,070
FTE	<u>75.9</u>	<u>87.2</u>	<u>0.4</u>	<u>0.3</u>	<u>87.5</u>
General Fund	8,132	8,132	0	0	8,132
Cash Funds	6,138,260	8,688,909	61,608	38,747	8,727,656
FTE	59.7	67.5	0.4	0.3	67.8
Cash Funds Exempt/ Reappropriated Funds	2,036,575	933,224	0	0	933,224
FTE	0.5	0.0	0.0	0.0	0.0
Federal Funds	1,892,305	1,867,058	0	0	1,867,058
FTE	15.7	19.7	0.0	0.0	19.7

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>Supplemental #4 - Technical Corrections</b>					
<i>(6) Water Quality Control Division</i>					
<i>(B) Watershed Assessment, Outreach, and Assistance</i>					
Personal Services	2,539,193	2,877,874	0	0	2,877,874
FTE	<u>26.5</u>	<u>39.6</u>	<u>0.0</u>	<u>0.0</u>	<u>39.6</u>
General Fund	293,047	318,992	0	0	318,992
FTE	5.4	5.4	0.0	0.0	5.4
Cash Funds	298,087	432,941	0	0	432,941
FTE	3.3	3.3	2.1	2.1	5.4
Cash Funds Exempt/ Reappropriated Funds	149,831	38,957	0	0	38,957
FTE	2.6	2.6	(2.1)	(2.1)	0.5
Federal Funds	1,798,228	2,086,984	0	0	2,086,984
FTE	15.2	28.3	0.0	0.0	28.3
<hr/>					
<b>Supplemental #6 - Colorado Oil and Gas Commission Computer System Update (Modifying a Previously Approved Interim Supplemental)</b>					
<i>(5) Air Quality Control Division, (A) Administration</i>					
Indirect Cost Assessment	<u>2,199,239</u>	<u>2,624,743</u>	<u>1,312</u>	<u>1,306</u>	<u>2,626,049</u>
Cash Funds	1,067,781	2,313,464	1,312	1,306	2,314,770
Cash Funds Exempt/ Reappropriated Funds	668,914	0	0	0	0
Federal Funds	462,544	311,279	0	0	311,279

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>(D) Stationary Sources</i>					
Personal Services	<u>5,989,966</u>	<u>6,532,178</u>	<u>65,000</u>	<u>64,600</u>	<u>6,596,778</u>
Cash Funds	4,609,152	5,169,597	65,000	64,600	5,234,197
Cash Funds Exempt/ Reappropriated Funds	83,726	0	0	0	0
Federal Funds	1,297,088	1,362,581	0	0	1,362,581
<b>Total for Supplemental #6</b>	<u>8,189,205</u>	<u>9,156,921</u>	<u>66,312</u>	<u>65,906</u>	<u>9,222,827</u>
Cash Funds	5,676,933	7,483,061	66,312	65,906	7,548,967
Cash Funds Exempt/ Reappropriated Funds	752,640	0	0	0	0
Federal Funds	1,759,632	1,673,860	0	0	1,673,860
<b>Supplemental #9 - Reduce Funding for Water Quality Operating Expenses</b>					
<i>(6) Water Quality Control Division</i>					
<i>(B) Watershed Assessment, Outreach, and Assistance</i>					
Operating Expenses	<u>663,281</u>	<u>525,768</u>	<u>(17,823)</u>	<u>(17,823)</u>	<u>507,945</u>
General Fund	376,207	376,207	(17,823)	(17,823)	358,384
Cash Funds	0	1,000	0	0	1,000
Cash Funds Exempt/ Reappropriated Funds	1,625	1,675	0	0	1,675
Federal Funds	285,449	146,886	0	0	146,886

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>(C) Permitting and Compliance Assurance</i>					
Operating Expenses	<u>423,817</u>	<u>383,866</u>	<u>(28,363)</u>	<u>(28,363)</u>	<u>355,503</u>
General Fund	227,706	227,706	(28,363)	(28,363)	199,343
Cash Funds	113,769	124,996	0	0	124,996
Cash Funds Exempt/ Reappropriated Funds	11,227	0	0	0	0
Federal Funds	71,115	31,164	0	0	31,164
<i>(D) Drinking Water Program</i>					
Operating Expenses	<u>275,809</u>	<u>213,583</u>	<u>(19,014)</u>	<u>(19,014)</u>	<u>194,569</u>
General Fund	94,887	94,887	(19,014)	(19,014)	75,873
Cash Funds	1,750	1,750	0	0	1,750
Federal Funds	179,172	116,946	0	0	116,946
<b>Total for Supplemental #9</b>	<u>1,362,907</u>	<u>1,123,217</u>	<u>(65,200)</u>	<u>(65,200)</u>	<u>1,058,017</u>
General Fund	698,800	698,800	(65,200)	(65,200)	633,600
Cash Funds	115,519	127,746	0	0	127,746
Cash Funds Exempt/ Reappropriated Funds	12,852	1,675	0	0	1,675
Federal Funds	535,736	294,996	0	0	294,996

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>Supplemental #16 - Hiring Freeze Savings</b>					
<i>(5) Air Quality Control Division</i>					
<i>(C) Mobile Sources</i>					
Personal Services	2,200,418	2,377,104	(16,157)	(18,177)	2,358,927
FTE	<u>26.4</u>	<u>30.2</u>	<u>0.0</u>	<u>(0.2)</u>	<u>30.0</u>
Cash Funds	0	2,180,130	(16,157)	(18,177)	2,161,953
FTE	0.0	27.3	0.0	(0.2)	27.1
Cash funds Exempt/ Reappropriated Funds	2,034,020	0	0	0	0
FTE	26.0	0.0	0.0	0.0	0.0
Federal Funds	166,398	196,974	0	0	196,974
FTE	0.4	2.9	0.0	0.0	2.9
<i>(D) Stationary Sources</i>					
Personal Services	5,989,966	6,532,178	(16,157)	(18,177)	6,514,001
FTE	<u>75.9</u>	<u>87.2</u>	<u>0.0</u>	<u>0.2</u>	<u>87.4</u>
Cash Funds	4,609,152	5,169,597	(16,157)	(18,177)	5,151,420
FTE	59.7	67.5	0.0	0.2	67.7
Cash Funds Exempt/ Reappropriated Funds	83,726	0	0	0	0
FTE	0.5	0.0	0.0	0.0	0.0
Federal Funds	1,297,088	1,362,581	0	0	1,362,581
FTE	15.7	19.7	0.0	0.0	19.7

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>(6) Water Quality Control Division</i>					
<i>(B) Watershed Assessment, Outreach, and Assistance</i>					
Personal Services	2,539,193	2,877,874	(5,135)	(5,135)	2,872,739
FTE	<u>26.5</u>	<u>39.6</u>	<u>0.0</u>	<u>(0.1)</u>	<u>39.5</u>
General Fund	293,047	318,992	(5,135)	(5,135)	313,857
FTE	5.4	5.4	0.0	(0.1)	5.3
Cash Funds	298,087	432,941	0	0	432,941
FTE	3.3	3.3	0.0	0.0	3.3
Cash Funds Exempt/ Reappropriated Funds	149,831	38,957	0	0	38,957
FTE	2.6	2.6	0.0	0.0	2.6
Federal Funds	1,798,228	2,086,984	0	0	2,086,984
FTE	15.2	28.3	0.0	0.0	28.3
<i>(C) Permitting and Compliance Assurance</i>					
Personal Services	3,877,809	3,593,697	(104,556)	(120,467)	3,473,230
FTE	<u>44.2</u>	<u>44.5</u>	<u>0.0</u>	<u>(1.6)</u>	<u>42.9</u>
General Fund	174,917	179,485	(9,087)	(9,087)	170,398
FTE	3.0	3.0	0.0	(0.2)	2.8
Cash Funds	2,689,178	2,981,236	(95,469)	(111,380)	2,869,856
FTE	34.3	37.8	0.0	(1.4)	36.4
Cash funds Exempt/ Reappropriated Funds	232,687	0	0	0	0
FTE	3.0	0.0	0.0	0.0	0.0
Federal Funds	781,027	432,976	0	0	432,976
FTE	3.9	3.7	0.0	0.0	3.7



	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>(D) Drinking Water Program</i>					
Personal Services	4,787,416	3,274,282	(23,402)	(26,431)	3,247,851
FTE	<u>53.4</u>	<u>44.9</u>	<u>0.0</u>	<u>(0.3)</u>	<u>44.6</u>
General Fund	838,531	858,973	(5,225)	(5,225)	853,748
FTE	15.1	15.1	0.0	(0.1)	15.0
Cash Funds	337,867	334,488	(18,177)	(21,206)	313,282
FTE	3.5	3.5	0.0	(0.2)	3.3
Federal Funds	3,611,018	2,080,821	0	0	2,080,821
FTE	34.8	26.3	0.0	0.0	26.3
<i>(8) Consumer Protection Division</i>					
Personal Services	2,006,460	2,152,610	(34,094)	(37,021)	2,115,589
FTE	<u>21.2</u>	<u>28.4</u>	<u>0.0</u>	<u>(0.4)</u>	<u>28.0</u>
General Fund	1,087,037	1,120,808	(16,259)	(16,259)	1,104,549
FTE	13.0	16.2	0.0	(0.2)	16.0
Cash Funds	575,701	677,710	(17,835)	(20,762)	656,948
FTE	5.0	7.8	0.0	(0.2)	7.6
Cash Funds Exempt/ Reappropriated Funds	64,360	78,887	0	0	78,887
FTE	1.2	2.0	0.0	0.0	2.0
Federal Funds	279,362	275,205	0	0	275,205
FTE	2.0	2.4	0.0	0.0	2.4

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>Total for Supplemental #16</b>					
Personal Services	21,401,262	20,807,745	(199,501)	(225,408)	20,582,337
FTE	<u>247.6</u>	<u>274.8</u>	<u>0.0</u>	<u>(2.4)</u>	<u>272.4</u>
General Fund	2,393,532	2,478,258	(35,706)	(35,706)	2,442,552
FTE	36.5	39.7	0.0	(0.6)	39.1
Cash Funds	8,509,985	11,776,102	(163,795)	(189,702)	11,586,400
FTE	105.8	147.2	0.0	(1.8)	145.4
Cash Funds Exempt/ Reappropriated Funds	2,564,624	117,844	0	0	117,844
FTE	33.3	4.6	0.0	0.0	4.6
Federal Funds	7,933,121	6,435,541	0	0	6,435,541
FTE	72.0	83.3	0.0	0.0	83.3

<b>Totals Excluding Pending Items</b>					
Department of Public Health and Environment					
Environmental Divisions Only	53,967,449	59,829,276	(136,781)	(185,955)	59,643,321
FTE	<u>419.6</u>	<u>473.3</u>	<u>0.4</u>	<u>(2.1)</u>	<u>471.2</u>
General Fund	3,608,131	3,732,366	(100,906)	(100,906)	3,631,460
Cash Funds	21,183,808	34,593,794	(35,875)	(85,049)	34,508,745
Cash Funds Exempt/ Reappropriated Funds	6,460,494	370,676	0	0	370,676
Federal Funds	22,715,016	21,132,440	0	0	21,132,440

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>Supplemental NP-18 (Dept. of Law #3) - Rocky Flats Legal Services for 550 hours</b>					
<i>(7) Hazardous Materials and Waste Management Division</i>					
<i>(F) Rocky Flats Agreement</i>					
Legal Services for 139 550 hours - FF	10,012	10,439	30,866	Pending	Pending

<b>Totals Including Pending Items</b>					
Department of Public Health and Environment					
Environmental Divisions Only	53,967,449	59,829,276	59,829,276	(185,955)	59,643,321
FTE	<u>419.6</u>	<u>473.3</u>	<u>473.3</u>	<u>(2.1)</u>	<u>471.2</u>
General Fund	3,608,131	3,732,366	3,732,366	(100,906)	3,631,460
Cash Funds	21,183,808	34,593,794	34,593,794	(85,049)	34,508,745
Cash Funds Exempt/ Reappropriated Funds	6,460,494	370,676	370,676	0	370,676
Federal Funds	22,715,016	21,132,440	21,132,440	0	21,132,440

Key:

N.A. = Not Applicable or Not Available