

Joint Budget Committee



Supplemental Budget Requests FY 2024-25

Department of Natural Resources

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

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Overview of Department

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

The **Executive Director's Office (EDO)** develops department-wide policies and provides administrative and technical support for Department divisions including: budgeting, accounting, financial management, human resources services, and the coordination of public information and environmental education. The EDO also houses the Colorado Avalanche Information Center (CAIC) that provides and promotes avalanche information and research.

The **Division of Reclamation, Mining, and Safety (DRMS)** regulates development and reclamation at mining sites, reclaims abandoned mine sites, and provides safety training.

The **Energy and Carbon Management Commission (ECMC)** regulates the exploration, development, and conservation of Colorado's oil and natural gas resources. The commission issues permits, conducts inspections, pursues enforcement actions, and engages in public outreach efforts.

The **State Board of Land Commissioners (SLB)** manages agricultural, commercial, mineral, and other leases on state-owned lands to generate reasonable and consistent revenue for public schools and other trust beneficiaries.

The **Division of Parks and Wildlife (CPW)** provides recreational opportunities at 43 state parks, manages more than 960 game and non-game wildlife species, issues hunting and fishing licenses, enforces wildlife regulations, and administers more than 350 state wildlife areas.

The **Colorado Water Conservation Board (CWCB)** works to conserve, develop, and protect the state's water resources to ensure adequate water supply, maximize beneficial use, and reduce the impact of flooding and drought.

The **Division of Water Resources (DWR or State Engineer's Office)** administers and enforces water rights, issues well permits, monitors streamflow and water use, regulates dam construction and safety, and represents Colorado in interstate water compact proceedings.

Summary of Staff Recommendations

Department of Natural Resources: Recommended Changes for FY 2024-25						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB24-1430 (Long Bill)	\$440,903,702	\$45,189,508	\$346,059,749	\$9,227,540	\$40,426,905	1,730.3
Other Legislation	57,249,623	0	57,249,623	0	0	10.1
Current FY 2024-25 Appropriation	\$498,153,325	\$45,189,508	\$403,309,372	\$9,227,540	\$40,426,905	1,740.4
Recommended Changes						
Current FY 2024-25 Appropriation	\$498,153,325	\$45,189,508	\$403,309,372	\$9,227,540	\$40,426,905	1,740.4
Statewide common policy supplementals	1,074,409	214,328	878,845	-27,975	9,211	0.0
S1/BA1 Digital video system for CPW officers	0	0	0	0	0	0.0
CSFS S1 Nursery renovation extension	0	0	0	0	0	0.0
Recommended FY 2024-25 Appropriation	\$499,227,734	\$45,403,836	\$404,188,217	\$9,199,565	\$40,436,116	1,740.4
Recommended Increase/-Decrease from 2024-25	\$1,074,409	\$214,328	\$878,845	-\$27,975	\$9,211	0.0
Percentage Change	0.2%	0.5%	0.2%	-0.3%	0.0%	0.0%
FY 2024-25 Executive Request						
FY 2024-25 Executive Request	\$500,055,950	\$45,403,836	\$405,016,433	\$9,199,565	\$40,436,116	1,741.2
Staff Rec. Above/-Below Request	-\$828,216	\$0	-\$828,216	\$0	\$0	-0.8

FY 2024-25 Description of Incremental Changes

S1/BA1 Digital video system for CPW officers: The request includes \$828,216 cash funds and 0.8 FTE, comprised of \$310,580 from the Parks Cash Fund and \$517,636 from the Wildlife Cash Fund, to fully scale a body-worn camera pilot program for Colorado Parks and Wildlife (CPW) officers in FY 2024-25. The request also includes two staff to manage the data and infrastructure and to respond to Colorado Criminal Justice Records Act (CCJRA) requests.

Staff recommends denial of the request, as it does not meet supplemental criteria.

CSFS S1 Nursery renovation extension [legislation recommended]: The request includes no appropriation change, but an extension of spending authority for the renovation and expansion of the Colorado State Forest Services (CSFS) nursery. The request would extend the project's spending authority by two years – through FY 2026-27 instead of FY 2024-25.

Staff recommends approval of the request, including the required legislation to extend spending authority.

Statewide common policy supplemental requests: The request includes an increase of \$1.1 million total funds, including \$214,318 General Fund, for non-prioritized requests associated with statewide common policy requests. The increase is associated with adjustments to the Department's payments for vehicle leases, state property risk management, and to the Office of Information Technology (OIT), which are determined through common policies. The prioritized versions of these requests will be presented during the supplemental presentations for the

Department of Personnel (vehicle and state property) and Office of the Governor (OIT). The recommendation is pending Committee action on common policy supplementals.

Prioritized Supplemental Requests

S1/BA1 Digital video system for CPW officers

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$828,216	\$0	\$828,216	\$0	\$0	0.8
Recommendation	0	0	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	-\$828,216	\$0	-\$828,216	\$0	\$0	-0.8

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **NO**
 [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.]

Explanation: The Department indicates that this request is the result of data that was not available earlier. After the Department submitted its November 1st request, they received the results of a CPW body-worn camera pilot program that demonstrated strong benefits. Staff does not believe this request meets supplemental criteria.

Request

The Department requests \$828,216 cash funds and 0.8 FTE, including \$310,580 from the Parks Cash Fund and \$517,636 from the Wildlife Cash Fund, in order to fully scale a body-worn camera pilot program for Colorado Parks and Wildlife (CPW) officers in FY 2024-25. The proposed system would also include two staff to manage the data and infrastructure and to respond to Colorado Criminal Justice Records Act (CCJRA) requests.

Relatedly, the Department's November 1st request included a decision item (R-06) to continue the system in FY 2025-26 and ongoing. In October 2024, the Office of Information Technology informed the Department that it cannot support the system as originally planned and the Department now plans to contract these services directly. The resulting budget amendment (BA-01) reduces the Department's cash fund request and increases the requested FTE, resulting in a final request of \$1.0 million cash funds and 2.0 FTE.

Recommendation

Staff recommends denial of the supplemental request, as it does not meet supplemental criteria.

Analysis

The supplemental request proposes to fully scale a body-worn camera pilot program within CPW. JBC staff does not believe the supplemental request process is an appropriate method to initiate a new, full-scale program without an unforeseen circumstance or contingency.

Body-worn camera requirements and effectiveness

CPW employs approximately 390 Peace Officer Standards and Training (POST) certified law enforcement officers. These officers are exempt from the requirement for local law enforcement officers and Colorado state patrol to wear body cameras as outlined in Section 24-31-902 (1)(a)(I), C.R.S. However, the Department has indicated that CPW officers are facing increased scrutiny due to their inability to provide digital evidence.

Research does not conclusively support or disprove the effectiveness of body-worn cameras in improving officer safety and behavior, perceptions of police, and public safety. As of 2022, CrimeSolutions, a clearinghouse of evaluation research for criminal and juvenile justice programs funded by the National Institute of Justice, contained a mix of studies that did and did not find statistically significant relationships between body-worn cameras and their desired impact.¹ Additionally, based on a 2019 review of police body-worn camera literature, body-worn cameras were generally not found to have significant or consistent effects on measures of officer and citizen behavior and citizens' view of police.²

CPW has conducted its own body-worn camera pilot program and received favorable feedback from officers.

CPW Pilot Program

Between May and July 2024, CPW began a pilot program for body-worn cameras and received hardware and licenses for 80 officers at no cost. The additional network infrastructure and security clearances necessary were absorbed within existing appropriations.

The pilot program showed favorable results, per the Department. Specifically, participating officers highlighted that the cameras allowed officers to capture video evidence and behavior that is difficult to describe in standard reports. Additionally, the footage allowed supervisors to review officer interactions and provide feedback. Footage from the pilot program included:

- Pursuit and arrest of a suspected felon,
- Arrival of a CPW officer who was first on the scene of a double homicide,
- Evidence of poaching cases, and
- Evidence of rescuing an inebriated person from drowning.

In addition to the successful results of the pilot program, the Department has indicated that there is a need to fully scale the program in FY 2024-25 in order to prevent a gap between the pilot program and full program implementation. This would prevent redundancies in infrastructure roll-out, reduce the time between training and equipment usage, and allow program benefits to be realized sooner.

¹ National Institute of Justice. (2022). <https://nij.ojp.gov/topics/articles/research-body-worn-cameras-and-law-enforcement#table1>.

² Lum, Cynthia et al. (2019). *Research on body-worn cameras*. <https://doi.org/10.1111/1745-9133.12412>.

While there appear to be program benefits and the proposed funding sources are part of a TABOR-exempt enterprise, JBC staff does not believe that supplemental requests are an appropriate funding mechanism for new programs and recommends denial of the request. Accordingly, the discussion of the full-scale program would be delayed until the figure setting presentation for the Department of Natural Resources.

CSFS S1 Nursery renovation extension [legislation recommended]

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$0	\$0	\$0	\$0	\$0	0.0
Recommendation	0	0	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	0.0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES
 [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.]

Explanation: JBC staff and the Department agree that this request is the result an unforeseen contingency in which design delays, staff turnover, and long lead times for equipment contributed to a delayed project timeline.

Request

The Department requests extended project spending authority through 2026-27, and proposes an add-on to the FY 2025-26 Long Bill in order to amend spending authority language within H.B. 23-1060.

Recommendation

Staff recommends that the Committee approve the request, but sponsor separate legislation since the recommended changes cannot be made through an add-on.

Analysis

The Colorado State Forest Service (CSFS) nursery grows low-cost, Colorado-grown seedling trees and shrubs for conservation purposes. These include over 40 species selected for hardiness and adaptability to Colorado’s climate. These efforts contribute towards ecosystem restoration and support post-wildfire recovery efforts.

The nursery renovation project has received approximately \$15.7 million in state and federal funds. In response to increased insect outbreaks, drought, deforestation, and two record-breaking wildfire years in 2020 and 2021, H.B. 22-1323 (Updates To State Forest Service Tree Nursery) provided \$5.0 million General Fund to expand and renovate the nursery. H.B. 23-1060 (Updates to State Forestry Service Tree Nursery) appropriated an additional \$5.4 million General Fund for the nursery in FY 2023-24. The appropriations for both bills expire on June 30, 2025.

Over the past two years, the nursery has spent a total of \$771,010 on the project. All of this funding has come from H.B. 22-1323, and no additional state or federal funds have been utilized.

Nursery Renovation Funding Sources	
Fund Source	Amount
H.B. 22-1323	\$5,000,000
H.B. 23-1060	\$5,382,500
U.S. Forest Service Disaster Funds (federal)	\$5,000,000
Bipartisan Infrastructure Law (federal)	\$320,000
Total	\$15,702,500

The CSFS has faced significant project delays, including:

- Poor bid responses,
- Expanded project scope,
- Long lead times for equipment, including generators, HVAC equipment, and greenhouses/shade houses, and
- Staff turnover within the Nursery Manager position.

As a result, the CSFS is requesting a two-year extension of spending authority through FY 2026-27 in order to finish the planned renovations. CSFS anticipates project completion in FY 2025-26. However, due to delayed design work and longer lead times from suppliers, CSFS anticipates that some design elements and their associated equipment may be delayed until FY 2026-27.

Over 90.0 percent of the renovation’s design is complete, and the Notice to Proceed for construction was approved in December 2024. CSFS has indicated that demolition work will begin in January 2025 and site preparation will continue through the winter.

Technical note: The requested change cannot be made through an add-on, as the desired changes to extend spending authority for project funding exist outside of the appropriation clauses of H.B. 23-1060 and H.B. 22-1323. Instead, the change would need to be run as separate legislation that amends statute to:

- 1 Extend spending authority for the appropriations from H.B. 22-1323 and H.B. 23-1060 through FY 2026-27; and
- 2 Adjust the repeal date for the relevant section in statute to June 30, 2027 in order to align with the spending authority extension.

Statewide Common Policy Supplementals

These 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.

Department's Portion of Statewide Supplemental Requests						
Supplemental	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
S1 DPA risk management	\$994,151	\$209,410	\$777,782	-\$3,800	\$10,749	0.0
S2 OIT real-time billing	-263,402	0	-237,315	-24,360	-1,727	0.0
S3 DPA fleet adjustment	343,660	4,908	338,378	185	189	0.0
Total	\$1,074,409	\$214,318	\$878,845	-\$27,975	\$9,211	0.0

The staff recommendation for these requests is pending Committee action on common policy supplementals. Staff asks for permission to include the corresponding appropriations in the Department's supplemental bill when the Committee acts on common policy supplementals. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee at a later date to present the relevant analysis.

JBC Staff Supplemental Recommendations - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
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Department of Natural Resources Dan Gibbs, Executive Director
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S1 Digital video system for CPW officers

(1) Executive Director's Office

(A) Administration

Health, Life, and Dental	<u>22,424,281</u>	<u>26,184,715</u>	<u>11,222</u>	<u>0</u>	<u>26,184,715</u>
General Fund	3,968,435	3,917,123	0	0	3,917,123
Cash Funds	17,914,802	20,873,932	11,222	0	20,873,932
Reappropriated Funds	541,044	962,115	0	0	962,115
Federal Funds	0	431,545	0	0	431,545
Short-term Disability	<u>184,264</u>	<u>241,982</u>	<u>89</u>	<u>0</u>	<u>241,982</u>
General Fund	30,127	33,546	0	0	33,546
Cash Funds	146,780	194,844	89	0	194,844
Reappropriated Funds	7,357	8,378	0	0	8,378
Federal Funds	0	5,214	0	0	5,214
Paid Family and Medical Leave Insurance	<u>0</u>	<u>726,780</u>	<u>267</u>	<u>0</u>	<u>726,780</u>
General Fund	0	100,637	0	0	100,637
Cash Funds	0	585,367	267	0	585,367
Reappropriated Funds	0	25,133	0	0	25,133
Federal Funds	0	15,643	0	0	15,643

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	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
Unfunded Liability Amortization Equalization					
Disbursement Payments	0	<u>16,096,626</u>	<u>5,926</u>	0	<u>16,096,626</u>
General Fund	0	2,236,382	0	0	2,236,382
Cash Funds	0	12,954,112	5,926	0	12,954,112
Reappropriated Funds	0	558,520	0	0	558,520
Federal Funds	0	347,612	0	0	347,612
(5) Division of Parks and Wildlife					
(A) Colorado Parks and Wildlife Operations					
State Park Operations	<u>51,387,782</u>	<u>55,718,748</u>	<u>304,017</u>	0	<u>55,718,748</u>
FTE	309.3	297.8	0.3	0.0	297.8
General Fund	125,000	125,000	0	0	125,000
Cash Funds	50,663,595	55,148,942	304,017	0	55,148,942
Reappropriated Funds	0	0	0	0	0
Federal Funds	599,187	444,806	0	0	444,806
Wildlife Operations	<u>104,045,618</u>	<u>125,411,920</u>	<u>506,695</u>	0	<u>125,411,920</u>
FTE	648.5	713.2	0.5	0.0	713.2
General Fund	1,676,584	2,189,354	0	0	2,189,354
Cash Funds	73,694,670	90,222,566	506,695	0	90,222,566
Federal Funds	28,674,364	33,000,000	0	0	33,000,000
Total for S1 Digital video system for CPW officers	178,041,945	224,380,771	828,216	0	224,380,771
FTE	<u>957.8</u>	<u>1,011.0</u>	<u>0.8</u>	<u>0.0</u>	<u>1,011.0</u>
General Fund	5,800,146	8,602,042	0	0	8,602,042
Cash Funds	142,419,847	179,979,763	828,216	0	179,979,763
Reappropriated Funds	548,401	1,554,146	0	0	1,554,146
Federal Funds	29,273,551	34,244,820	0	0	34,244,820

JBC Staff Supplemental Recommendations - FY 2024-25
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	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
Totals Excluding Pending Items					
NATURAL RESOURCES					
TOTALS for ALL Departmental line items	452,715,833	498,153,325	828,216	0	498,153,325
<i>FTE</i>	<u>1,580.8</u>	<u>1,740.4</u>	<u>0.8</u>	<u>0.0</u>	<u>1,740.4</u>
General Fund	41,628,805	45,189,508	0	0	45,189,508
Cash Funds	328,074,343	403,309,372	828,216	0	403,309,372
Reappropriated Funds	7,809,146	9,227,540	0	0	9,227,540
Federal Funds	75,203,539	40,426,905	0	0	40,426,905