

The following file contains three JBC staff documents:

1. March 18, 2010, JBC Staff Memo titled "Department of Natural Resources FY 2010-11 Figure Setting Various Items.";
2. JBC Staff FY 2010-11 Figure Setting Presentation for the Department of Natural Resources (For the Following Divisions: Executive Director's Office, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife) from February 9, 2010;
3. February 9, 2010 Memo titled "Update to JBC Staff Recommendation on Department of Natural Resources "Other Balancing Options" Section.

MEMORANDUM

TO: Members of the Joint Budget Committee

FROM: Viktor Bojilov, JBC Analyst

SUBJECT: Department of Natural Resources FY 2010-11 Figure Setting Various Items

DATE: March 18, 2010

This memo addresses several outstanding FY 2010-11 budget issues in the Department of Natural Resources for which the Joint Budget Committee has not taken action on, including several JBC staff technical comebacks:

- House Bill 10-1326 increased the amount of moneys that can be appropriated from the Operational Account of the Severance Tax Trust Fund to the Division of Parks and Outdoor Recreation from five percent to ten percent of the moneys in the Account;
- Budget Reduction Proposal: General Fund Operating Reduction in FY 2010-11 and FY 2011-12 totaling \$56,816;
- Colorado Water Conservation Board Severance Tax Perpetual Base Account Transfer to the General Fund in FY 2010-11 totaling \$11,000,000;
- Department request to continue funding 3.7 FTE and \$400,000 CWCB Construction Fund in the Long Bill which was originally appropriated in S.B. 09-125 (Colorado Water Conservation Board Projects);
- JBC staff technical correction to Statewide Mail Equipment Upgrade change request totaling \$20,456, including \$2,803 General Fund, \$17,498 cash funds, and \$155 reappropriated funds; and
- JBC staff technical to correct Water Resources Division, Personal Services line item adjustment for "OIT Staff Impact for PERA Adjustment" totaling a reduction of \$450 General Fund.

(1) House Bill 10-1326 concerning an increase in the amount of authorized appropriations from the operational account severance tax trust fund to Parks and Outdoor Recreation.

This Joint Budget Committee General Fund budget balancing bill (enrolled into an act) adjusts the authorization of appropriations from the Operational Account of the Severance Tax Trust Fund for tax years beginning on or after July 1, 2009, as follows:

- decreases the authorization to the Oil and Gas Conservation Commission from up to 40 percent to up to 35 percent of the account;
- increases the authorization to the Division of Parks and Outdoor Recreation from up to 5 percent to up to 10 percent of the account;
- allows the increased appropriation to replace General Fund moneys;
- reduces the transfer to the Water Supply Reserve Account for FY 2010-11 to six

million dollars (from ten million), reduces the transfer for FY 2011-12 to seven million dollars (from ten million), and adjusts the transfer to ten million dollars for FY 2012-13 and beyond; and

- adjusts the appropriation to the Parks and Outdoor Recreation division for FY 2009-10 by reducing the General Fund appropriation by \$2,147,415 and increasing the cash funds appropriation by a similar amount from the Operational Account.

Staff notes that based on Legislative Council Staff December 2009 Revenue Forecast, H.B. 10-1326 would increase the Tier 1 appropriation to Parks and Outdoor Recreation for FY 2010-11 to 4.5 percent of total available Operational Account moneys or \$3,472,007. Staff also estimates that with this action, the unobligated balance of the Operational Account will be \$8.4 million at the end of FY 2010-11.

Staff recommends the Committee allow the FY 2009-10 refinance contained in H.B. 10-1326 to continue for FY 2010-11 by reducing the General Fund appropriation by \$2,147,415 and increasing the cash funds appropriation by a similar amount from the Operational Account of the Severance Tax Trust Fund. The Staff recommendation is shown in the table below.

Staff also notes that the table below reflect two other highlited changes to the State Parks Operations line item which will be discussed later in the narrative.

Summary of Recommendation – Division of Parks & Outdoor Recreation State Park Operations — Department of Natural Resources					
	GF	CF	FF	Total	FTE
Personal Services (Estimate)	3,093,594	15,807,169	437,295	19,338,058	260.7
Operating Expense (Estimate)	<u>773,398</u>	<u>3,951,792</u>	<u>0</u>	<u>4,725,190</u>	<u> </u>
FY 2009-10 Appropriation	3,866,992	19,758,961	437,295	24,063,248	260.7
Increase Lottery Funds to State Parks Operations	0	750,000	0	750,000	0.0
Restore FY 2010 Personal Services Cut	65,362	365,277	8,094	438,733	0.0
Restore FY 2010 Furlough	8,374	52,548	(8,094)	52,828	0.0
Refinance General Fund with cash funds from the Operational Account as a result of H.B. 10-1326	(2,147,415)	2,147,415	0	0	0.0
FY 2009-10 Supplemental	(14,762)	(73,305)	8,094	(79,973)	0.0
Annualize FY 2010 SWNPS&BA: Postage Increase and Mail Equipment Upgrade (discussed below)	<u>(178)</u>	<u>(577)</u>	<u>0</u>	<u>(755)</u>	<u>0.0</u>
Continuation Estimate	1,778,373	23,000,319	445,389	25,224,081	260.7

Summary of Recommendation – Division of Parks & Outdoor Recreation State Park Operations — Department of Natural Resources					
	GF	CF	FF	Total	FTE
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. Impact for PERA Adjustment (PENDING)	1,530	8,031	0	9,561	0.0
Non-prioritized Statewide Decision Item 2: Annual Fleet Vehicle Replacements (PENDING)	355	1,155	0	1,510	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation (PENDING)	(68,294)	(358,534)	0	(426,828)	(5.0)
SWNPBA: PERA Adjustment	(51,232)	(290,312)	0	(341,544)	0.0
Budget Amendment 2/18/10: General Fund Budget Reduction (discussed below)	(16,769)	0	0	(16,769)	0.0
Total Recommendation	1,643,963	22,360,659	445,389	24,450,011	255.7

(2) Budget Reduction Proposal: General Fund Operating Reduction in FY 2010-11 and FY 2011-12 totaling \$56,817. The Department submitted this request on February 18, 2010. As a General Fund budget balancing measure, this request would cause a 5.0 percent reduction to several of the Department's General Fund Operating Expenses line items that are funded with General Fund or reappropriated funds where the source is General Fund. The request is for the reductions to be in effect for FY 2010-11 and FY 2011-12. Per OSPB instructions, Departments were allowed the flexibility to determine best places to make the reductions, but were asked to make the reductions within line items related to general administration expenses. **Staff recommends the Committee approve this Department request to decrease General Fund operating line items in the Department by a total of \$56,817.**

Staff notes that the reduction in the Executive Director's Office, Operating Expenses line item is a reduction to reappropriated funds from indirect cost recoveries, to realize General Fund savings staff will reduce General Fund appropriations to another line item funded with indirect cost recoveries. Staff has not identified the line yet, there are several common policy line items that are still pending and may change the final indirect cost recovery allocation.

Calculation of Department Request for a 5.0 Percent Operating Reduction				
Line Item	Portion of Line Containing Operating Funds	FY 2011 Request	Operating Expense (GF and RF ONLY)	Proposed Reduction
EDO, Operating Expenses	100 Percent Operating Line Item	1,250,255	183,941	(9,197)

Calculation of Department Request for a 5.0 Percent Operating Reduction				
Line Item	Portion of Line Containing Operating Funds	FY 2011 Request	Operating Expense (GF and RF ONLY) <i>I</i>	Proposed Reduction
Parks and Outdoor Recreation, State Park Operations	20 Percent Operating Line Item	24,448,829	335,375	(16,769)
Division of Water Resources, Operating Expenses	100 Percent Operating Line Item	1,429,996	617,012	(30,851)
Total Reduction				(56,817)

1. Includes only those operating expenses line items funded with General Fund or reappropriated funds from indirect cost recoveries.

- ✓ In the EDO, the Department is applying the reduction to the amount of the requested appropriation that is related to indirect cost recoveries. Staff notes that final funding splits related to the indirect cost recoveries are still pending final funding splits for several common policy line items. The Department states that the proposed \$9,197 reduction in the EDO will include a reduction of \$4,575 set aside for capital outlay (furniture and equipment replacements) and a reduction of \$4,622 in EDO travel. Under this proposal, the Department states that it will prioritize travel to ensure all travel related to interstate compacts negotiations and other essential department functions continues as planned. As such, the Department states that the reduction will generally affect travel to attend stakeholder meetings, as well as EDO participation in conferences and educational forums.
- ✓ In Parks and Outdoor Recreation, the Department will eliminate an annual Administrative Law Enforcement Refresher Course and will mainstream the training of administrative officers and train them along with the rank and file field rangers. The Department states that by reducing the Officer Training Budget (APNO) by \$16,769, will leave \$83,000 in the officer training budget.
- ✓ In the Division of Water Resources, the proposed reduction would include the following components: (1) a reduction to the Division's training budget of \$27,318. This includes, but is not limited to, safety training including swift water rescue and snow safety; major conferences, including registration fees and associated travel expenses; membership dues; and continuing education material pertinent to water law, and; (2) a reduction of \$3,533 to the Division's information technology operating budget, including a delay in the replacement of some information technology hardware.

The Division calculated the reduction on an operating budget of \$1,429,847 including \$990,339 General Fund. Of the General Fund portion, the Division states that roughly 48.0 percent or \$475,363 is spent on state fleet vehicle mileage cost and reimbursement for use of personal vehicle. Staff notes that according to the Department Position and Object Code Detail Report for FY 2008-09, the Division spent \$469,725 on state fleet vehicle mileage cost and \$217,805 on reimbursement for use of personal vehicle.

The department states that travel-related expenses are essential and allow the Division of Water Resources water commissioners to drive around the State (in both state and privately owned vehicles) regulating water usage and ensuring compliance with Colorado's water laws. The Department states that these expenditures do not constitute general operating expenses, but instead directly support a core function of the Division, the Department has requested that these expenses be exempted from this reduction.

In addition, the Division of Water resources has requested that the entire reduction in the Division of \$30,851 be taken out of the main operating line item and that the operating expenses for Satellite Monitoring, Republican River Compliance, and Interstate Compacts are not reduced. The Division's calculation is shown below:

DWR, Operating Expenses (\$990,339 x 52 % x 5%) =	\$25,749
DWR, Interstate Compacts (\$76,002 x 5%) =	\$3,800
DWR, Republican River Compact Compliance-OE (\$11,135 x 5%) =	\$557
<u>DWR, Satellite Monitoring -OE (\$14,899 x 5%) =</u>	<u>\$745</u>
Total Operating Reduction DWR	\$30,851

(3) Colorado Water Conservation Board Severance Tax Perpetual Base Account Transfer to the General Fund in FY 2010-11 totaling \$11,000,000. As a General Fund budget balancing measure, the Department of Natural Resources proposes transferring \$11,000,000 million from the Perpetual Base Account of the Severance Tax Trust Fund to the General Fund in FY 2010-11. The table below provides an analysis of the impact of an \$11.0 million transfer out of the Perpetual Base Account. **Staff recommends the Committee approve this Department request to transfer \$11.0 million out of the Perpetual Base Account into the General Fund for FY 2010-11. Staff notes that this action requires legislation.**

Perpetual Base Account of the Severance Tax Trust Fund

The Severance Tax Perpetual Base Account is authorized in Section 39-29-109 (2) (a), C.R.S., to be used for the same purposes as the Colorado Water Conservation Board Construction Fund. Specifically, to fund directly or provide loans for construction, rehabilitation, enlargement, or improvement of water projects. The Severance Tax Perpetual Base Account receives half of receipts to the severance tax trust fund (one fourth of all severance tax income). This fund is a revolving loan

account, as such no permanent programs depend on this fund.

Perpetual Base Account of the Severance Tax Trust Fund				
OPTIONS FOR TRANSFERS TO GENERAL FUND IN FY 2009-10 and FY 2010-11				
(March 18, 2010, ANALYSIS)				
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Estimate	Estimate
Cash Balance - Beginning of Year	\$18,058,960	\$40,454,321	\$3,965,959	\$297,112
<i>Receivables/Interest Earnings</i>	<i>11,071,624</i>	<i>5,000,000</i>	<i>7,827,329</i>	<i>(701,269)</i>
<i>Severance Tax</i>	<i>71,253,177</i>	<i>18,800,000</i>	<i>38,264,500</i>	<i>45,427,000</i>
<i>Principal Repayment</i>	<u><i>3,099,696</i></u>	<u><i>5,000,000</i></u>	<u><i>3,239,324</i></u>	<u><i>5,547,260</i></u>
<i>Total Revenues</i>	<i>85,424,497</i>	<i>28,800,000</i>	<i>49,331,153</i>	<i>50,272,991</i>
Loan Issuances/Drought Grants*	<u>(28,029,136)</u>	<u>(1,288,362)</u>	<u>(42,000,000)</u>	<u>(50,000,000)</u>
Ending FY Balance without transfer	\$75,454,321	\$67,965,959	\$11,297,112	\$570,103
Transfer to the General Fund in S.B. 09-208	(20,000,000)	0	0	0
Transfer to the General Fund in S.B. 09-279	(15,000,000)	(62,000,000)	0	0
Transfer to the General Fund in H.B. 10-1327, Section 8 (status: Committee Conference)	0	(2,000,000)	0	0
Department Proposal for Additional Transfers to the General Fund	<u>0</u>	<u>0</u>	<u>(11,000,000)</u>	<u>0</u>
Ending Balance after transfers	\$40,454,321	\$3,965,959	\$297,112	\$570,103

* The "Loan Issuances/Drought Grants*" line shows JBC staff estimate of total available funds that can be used to issue loans or grants in a given year. Any transfers out of the account reduces the amount available for loans.

For the Committee's information, the narrative and table below shows the funding balance of the Colorado Water Conservation Board Construction Fund.

Colorado Water Conservation Board Construction Fund

The Colorado Water Conservation Board Construction Fund, created in Section 37-60-121 (1) (a), C.R.S., provides loans for projects which will increase the beneficial consumptive use of Colorado's undeveloped compact entitled waters. Statute instructs the Colorado Water Conservation Board to participate in only those projects that can repay the board's investment. Grants are not allowed, unless specifically authorized by the general assembly through a bill.

The Construction Fund is a partially self-supporting revolving loan fund. Revenues come from the

return of principal and interest on outstanding loans, interest earned on the cash balance of the fund through investments by the State Treasurer, and federal mineral lease (FML) fund distributions. Senate Bill 08-218 modified the allocation of the state's portion of FML revenue by segregating FML bonus payment revenue and reallocation as well as non-bonus (rent and royalty) FML revenue reallocation. Senate Bill 08-218 amended statute so that beginning with FY 2008-09, the CWCB Construction fund receives a distribution of 10.0 percent of non-bonus revenue, up to \$14.0 million. The amount transferred is allowed to grow by 4 percent annually in succeeding years.

The Construction Fund also pays for the administrative expenses of the Colorado Water Conservation Board (CWCB) division within DNR.

Colorado Water Conservation Board Construction Fund				
OPTIONS FOR TRANSFERS TO GENERAL FUND IN FY 2009-10 and FY 2010-11				
(March 18, 2010, ANALYSIS)				
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Estimate*	Estimate*
Cash Balance - Beginning of Year	\$13,282,580	\$20,278,862	\$17,959,045	\$11,855,366
Revenues	45,300,023	23,400,000	26,662,272	29,954,871
<i>CWCB Operations</i>	<i>(6,255,134)</i>	<i>(7,269,359)</i>	<i>(7,338,451)</i>	<i>(7,515,405)</i>
<i>Non-Reimbursable Investments</i>	<i>(4,724,563)</i>	<i>(3,325,000)</i>	<i>(4,427,500)</i>	<i>(4,427,500)</i>
<i>Loan Issuances</i>	<i>(18,047,534)</i>	<i>(15,125,458)</i>	<i>(21,000,000)</i>	<i>(21,000,000)</i>
<i>Total Expenditures</i>	<u><i>(29,027,231)</i></u>	<u><i>(25,719,817)</i></u>	<u><i>(32,765,951)</i></u>	<u><i>(32,942,905)</i></u>
Ending FY Balance without transfer	\$29,555,372	\$17,959,045	\$11,855,366	\$8,867,332
Transfer to the General Fund in S.B. 09-208	(10,250,000)	0	0	0
Options for Additional Transfers to the General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance after transfers	\$19,305,372	\$17,959,045	\$11,855,366	\$8,867,332

* The Construction Fund is a partially self-supporting revolving loan fund, final revenues and ending fund balances will vary depending on how much gets transferred out of the fund as General Fund budget balancing actions, the number of loans that end up being issued in FY 2009-10, FY 2010-11, and FY 2011-12, and revenue projection changes.

(4) Department request to continue funding 3.7 FTE and \$400,000 CWCB Construction Fund in the Long Bill which was originally appropriated in S.B. 09-125 (Colorado Water Conservation Board Projects). For FY 2010-11, the Department requested continuation funding of the Interbasin Compacts line item in the amount of \$1,145,067 cash funds and 3.7 FTE. The funding request was for \$745,067 to come from the Interbasin Compact Committee Operation Fund (transferred from the Severance Tax Trust Fund Operational Account - Tier 2 and continuously

appropriated) and \$400,000 from the CWCB Construction Fund. Staff only recommended funding \$745,067 and 3.7 FTE, the Committee approved the JBC staff recommendation. **Staff recommends the Committee reconsider its decision from February 9, 2010, and instead approve the Department request for \$1,145,067 and 3.7 FTE. Of this amount, \$745,067 will come from the Interbasin Compact Committee Operation Fund and \$400,000 will come from the CWCB Construction Fund.**

Section 3 of H. B. 08-1398 created the Interbasin Compact Committee Operation Fund and continuously appropriated all funds in the Interbasin Compact Committee Operation Fund to the Colorado Water Conservation Board. Section 2 of H.B. 08-1398 transferred \$1,145,067 beginning July 1, 2008, and each state fiscal year thereafter from the Operational Account to the Interbasin Compact Committee Operation Fund.

Senate Bill 09-125 reduced the annual transfer to the Interbasin Compact Committee Operation Fund to \$745,067. Section 19 of S.B. 09-125 also reduced the FY 2009-10 appropriation to the Interbasin Compacts line item by \$400,000 from the Interbasin Compact Committee Operation Fund while increasing the appropriation to the Interbasin Compacts line item by \$400,000 from the CWCB Construction Fund.

The Department implemented the changes described above out of concern about funding FTE through Tier II of the Operational Account, funding for which can fluctuate significantly from year to year.

(5) JBC staff technical correction to Statewide Mail Equipment Upgrade change request totaling \$20,456, including \$2,803 General Fund, \$17,498 cash funds, and \$155 reappropriated funds.

Staff recommends the Committee appropriate \$20,456, including \$2,803 General Fund, \$17,498 cash funds, and \$155 reappropriated funds. This recommendation corrects a technical error in the Department request for the Mail Equipment Upgrade statewide change request.

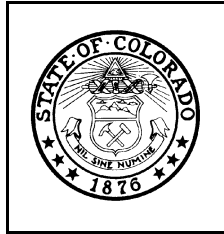
Mail Equipment Upgrade Calculation for Elimination of FY 2009-10 and FY2010-11 Funding			
Line Item	Initial Staff Recommendation	Adjustment	New Staff Recommendation
(1) EDO, Operating Expenses	(670)	155	(515)
(6) Parks and Outdoor Recreation, (A) State Park Operations	(36,290)	8,390	(27,900)
(6) Parks and Outdoor Recreation, (C) Special Purpose, Snowmobile Program	(3,123)	722	(2,401)

Mail Equipment Upgrade Calculation for Elimination of FY 2009-10 and FY2010-11 Funding			
Line Item	Initial Staff Recommendation	Adjustment	New Staff Recommendation
(6) Parks and Outdoor Recreation, (C) Special Purpose, Off-Highway Vehicle Program	(5,388)	1,246	(4,142)
(7) Colorado Water Conservation Board, (A) Administration, Operating Expenses	(670)	155	(515)
(8) Water Resources Division, Operating Expenses	(3,587)	829	(2,758)
(9) Division of Wildlife, (A) Division Operations, (1) Director's Office	(2,176)	503	(1,673)
(9) Division of Wildlife, (A) Division Operations, (2) Wildlife Management	(20,540)	4,749	(15,791)
(9) Division of Wildlife, (A) Division Operations, (3) Technical Services	<u>(16,034)</u>	<u>3,707</u>	<u>(12,327)</u>
Total Reduction	(88,478)	20,456	(68,022)

(6) JBC staff technical to correct Water Resources Division, Personal Services line item adjustment for "OIT Staff Impact for PERA Adjustment" totaling a reduction of \$450 General Fund.

During the February 9, 2010, JBC staff DNR figure setting presentation, JBC staff recommended a General Fund increase of \$18,502 to the Water Resources Division, Personal Services line item to reflect the impact of a change titled "OIT Staff Impact for PERA Adjustment." The correct recommendation should have added a General Fund increase of \$18,052, or \$450 less than what staff recommended. **Staff recommends the Committee reconsider its decision and approve the corrected increase of \$18,052.**

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2010-11 FIGURE SETTING:
DEPARTMENT OF NATURAL RESOURCES
(FOR THE FOLLOWING DIVISIONS:
EXECUTIVE DIRECTOR'S OFFICE, PARKS
AND OUTDOOR RECREATION, COLORADO WATER
CONSERVATION BOARD, WATER RESOURCES
DIVISION, AND DIVISION OF WILDLIFE)**

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

Prepared By:

**Viktor Bojilov, JBC Staff
February 9, 2010**

For Further Information Contact:

**Joint Budget Committee
200 East 14th Avenue, 3rd Floor
Denver, Colorado 80203
Telephone: (303) 866-2061
Facsimile: (303) 866-2150**

**FY 2010-11 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

DEPARTMENT OF NATURAL RESOURCES

**(FOR THE FOLLOWING DIVISIONS:
EXECUTIVE DIRECTOR'S OFFICE, PARKS
AND OUTDOOR RECREATION, COLORADO WATER
CONSERVATION BOARD, WATER RESOURCES
DIVISION, AND DIVISION OF WILDLIFE)**

TABLE OF CONTENTS

Numbers Pages	1
(1) Executive Director's Office	17
(6) Parks & Outdoor Recreation	42
(7) Colorado Water Conservation Board	59
(8) Water Resources Division	71
(9) Division of Wildlife	81
Request for Information Recommendations	95
Additional Balancing Options	98

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
DEPARTMENT OF NATURAL RESOURCES						
Executive Director: Jim Martin						
(1) EXECUTIVE DIRECTOR'S OFFICE						
Primary functions: provides budgeting, accounting, financial management, human resources, information technology, public information, and environmental education coordination for all divisions. Cash fund sources include various funds as reflected in individual division descriptions. Reappropriated funds is comprised of statewide and departmental indirect cost recoveries.						
(A) Administration and Information Technology Services						
Personal Services	4,740,550	4,701,517	5,173,817	3,712,902	3,745,073	SWNPDI-1, IT Staff;
FTE	<u>55.4</u>	<u>54.6</u>	<u>58.8</u>	<u>43.8</u>	<u>43.8</u>	SWNPBA-PERA
General Fund	0	0	211,744	133,170	0	
Cash Funds	2,133,854	0	50,000	0	0	
Cash Funds Exempt / Reappropriated Funds	2,606,696	4,701,517	4,912,073	3,579,732	3,745,073	
Health, Life, and Dental	<u>6,704,124</u>	<u>7,931,687</u>	<u>9,030,537</u>	<u>8,505,382</u>	0	PENDING
General Fund	1,614,859	1,797,593	1,833,678	1,789,016	0	SWNPDI-1, IT Staff;
Cash Funds	1,458,016	5,185,616	6,125,183	5,449,189	0	SWNPBA-Tot. Comp.
Cash Funds Exempt / Reappropriated Funds	3,179,794	292,835	325,693	270,975	0	Update
Federal Funds	451,455	655,643	745,983	996,202	0	
Short-term Disability	<u>118,210</u>	<u>129,011</u>	<u>123,206</u>	<u>137,942</u>	0	PENDING
General Fund	25,925	26,620	23,577	28,221	0	SWNPDI-1, IT Staff;
Cash Funds	28,829	86,582	84,920	88,883	0	SWNPBA-Tot. Comp.
Cash Funds Exempt / Reappropriated Funds	51,154	5,607	5,163	4,311	0	Update
Federal Funds	12,302	10,202	9,546	16,527	0	
S.B. 04-257 Amortization Equalization Disbursement	<u>1,078,513</u>	<u>1,599,591</u>	<u>1,742,057</u>	<u>2,135,884</u>	0	PENDING
General Fund	232,658	327,083	360,735	436,963	0	SWNPDI-1, IT Staff;
Cash Funds	262,590	1,077,935	1,144,167	1,376,250	0	SWNPBA-Tot. Comp.
Cash Funds Exempt / Reappropriated Funds	469,702	69,014	86,784	66,764	0	Update
Federal Funds	113,563	125,559	150,371	255,907	0	

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	<u>FY 2007-08</u> Actual	<u>FY 2008-09</u> Actual	<u>FY 2010</u> Appropriation	<u>FY 2010-11</u> Request	<u>FY 2010-11</u> Recommendation	<u>Change Requests</u>
S.B. 06-235 Supplemental AED	<u>214,102</u>	<u>743,881</u>	<u>1,084,599</u>	<u>1,557,417</u>	<u>0</u>	PENDING
General Fund	41,546	147,392	221,444	318,620	0	SWNPDI-1, IT Staff;
Cash Funds	51,042	505,282	715,105	1,003,516	0	SWNPBA-Tot. Comp.
Cash Funds Exempt / Reappropriated Funds	97,855	32,351	54,240	48,682	0	Update
Federal Funds	23,659	58,856	93,810	186,599	0	
Salary Survey and Senior Executive Service	<u>3,052,424</u>	<u>3,303,727</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	732,883	593,316	0	0	0	
Cash Funds	739,567	2,461,589	0	0	0	
Cash Funds Exempt / Reappropriated Funds	1,515,021	173,652	0	0	0	
Federal Funds	64,953	75,170	0	0	0	
Performance-based Pay Awards	<u>1,297,157</u>	<u>1,428,940</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	297,912	324,273	0	0	0	
Cash Funds	320,726	997,742	0	0	0	
Cash Funds Exempt / Reappropriated Funds	644,191	66,259	0	0	0	
Federal Funds	34,328	40,666	0	0	0	
Shift Differential	<u>12,251</u>	<u>18,743</u>	<u>9,801</u>	<u>24,774</u>	<u>15,499</u>	
General Fund	3,675	5,182	2,297	4,806	4,650	
Cash Funds	8,576	13,561	7,504	19,968	10,849	
Workers' Compensation	<u>935,612</u>	<u>1,193,258</u>	<u>1,697,801</u>	<u>1,877,290</u>	<u>0</u>	PENDING
General Fund	119,864	152,872	224,577	331,545	0	
Cash Funds	177,442	1,039,018	1,442,547	1,487,697	0	
Cash Funds Exempt / Reappropriated Funds	636,971	0	25,284	27,154	0	
Federal Funds	1,335	1,368	5,393	30,894	0	
Operating Expenses	<u>1,253,963</u>	<u>1,190,066</u>	<u>1,250,425</u>	<u>1,250,284</u>	<u>1,250,284</u>	
Cash Funds	308,730	976,443	1,060,977	1,060,977	1,060,977	
Cash Funds Exempt / Reappropriated Funds	939,896	193,286	184,111	183,970	183,970	
Federal Funds	5,337	20,337	5,337	5,337	5,337	
Legal Services	2,968,731	3,095,965	3,383,808	3,423,006	0	PENDING
<i>Hours Equivalent</i>	<u>41,215</u>	<u>41,225</u>	<u>44,890</u>	<u>45,410</u>	<u>45,410</u>	BA-1, Legal Svcs. For

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
General Fund	859,540	826,299	826,302	836,418	0	Instream Flow
Cash Funds	815,710	2,219,498	2,467,755	2,496,828	0	
Cash Funds Exempt / Reappropriated Funds	1,266,849	12,500	39,348	39,348	0	
Federal Funds	26,632	37,668	50,403	50,412	0	
Administrative Law Judge Services - CFE / RF	0	0	0	0	0	PENDING
Purchase of Services from Computer Center	<u>427,670</u>	<u>686,562</u>	<u>647,003</u>	<u>5,125,497</u>	<u>0</u>	PENDING
General Fund	5,938	9,533	6,483	849,765	0	SWNPDI-1, IT Staff
Cash Funds	421,732	519,710	480,805	3,117,317	0	
Cash Funds Exempt / Reappropriated Funds	0	157,319	159,715	1,060,574	0	
Federal Funds	0	0	0	97,841	0	
Multiuse Network Payments	<u>1,024,275</u>	<u>1,058,888</u>	<u>1,058,888</u>	<u>2,178,584</u>	<u>0</u>	PENDING
General Fund	249,305	257,730	211,928	308,651	0	SWNPDI-1, IT Staff
Cash Funds	753,665	731,043	782,309	1,288,598	0	
Cash Funds Exempt / Reappropriated Funds	15,671	62,113	59,340	471,330	0	
Federal Funds	5,634	8,002	5,311	110,005	0	
Management and Administration of OIT	<u>0</u>	<u>226,424</u>	<u>203,947</u>	<u>540,782</u>	<u>0</u>	PENDING
General Fund	0	47,835	43,053	42,509	0	SWNPDI-1, IT Staff
Cash Funds	0	165,212	147,603	285,860	0	
Cash Funds Exempt / Reappropriated Funds	0	8,417	8,538	206,584	0	
Federal Funds	0	4,960	4,753	5,829	0	
Payment to Risk Management & Property Funds	<u>806,305</u>	<u>1,168,937</u>	<u>963,820</u>	<u>355,237</u>	<u>0</u>	PENDING
General Fund	144,167	209,005	140,499	63,254	0	
Cash Funds	203,698	924,260	796,465	275,888	0	
Cash Funds Exempt / Reappropriated Funds	453,130	27,698	20,325	10,049	0	
Federal Funds	5,310	7,974	6,531	6,046	0	
Vehicle Lease Payments	<u>2,087,881</u>	<u>2,385,420</u>	<u>3,120,395</u>	<u>3,379,881</u>	<u>0</u>	PENDING
General Fund	326,466	365,017	412,477	422,970	0	SWNPDI-2, Vehicle
Cash Funds	393,556	1,979,301	2,650,625	2,899,615	0	Replacements;
Cash Funds Exempt / Reappropriated Funds	1,330,093	0	0	0	0	SWNPBA-Veh.

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
Federal Funds	37,766	41,102	57,293	57,296	0	Repl. Update
Information Technology Asset Maintenance	<u>281,540</u>	<u>276,478</u>	<u>282,477</u>	<u>282,477</u>	<u>282,477</u>	
General Fund	53,746	53,746	53,746	53,746	53,746	
Cash Funds	190,563	125,957	125,957	125,957	125,957	
Cash Funds Exempt / Reappropriated Funds	24,995	84,539	90,538	90,538	90,538	
Federal Funds	12,236	12,236	12,236	12,236	12,236	
Leased Space	<u>928,634</u>	<u>1,196,145</u>	<u>1,218,143</u>	<u>1,311,484</u>	<u>1,311,484</u>	
General Fund	476,295	489,254	506,899	524,396	524,396	DI-1, Leased
Cash Funds	344,047	682,766	685,302	760,714	760,714	Space Adj.; BA-2
Cash Funds Exempt / Reappropriated Funds	89,512	0	0	0	0	Leased Space Adj.
Federal Funds	18,780	24,125	25,942	26,374	26,374	
Capitol Complex Leased Space	<u>871,159</u>	<u>866,705</u>	<u>867,269</u>	<u>851,397</u>	<u>0</u>	PENDING
General Fund	244,752	243,501	239,474	242,743	0	
Cash Funds	403,721	348,807	352,832	337,385	0	
Cash Funds Exempt / Reappropriated Funds	117,297	169,706	170,073	166,960	0	
Federal Funds	105,389	104,691	104,890	104,309	0	
Communications Services Payments	<u>946,136</u>	<u>988,238</u>	<u>988,238</u>	<u>992,903</u>	<u>0</u>	PENDING
General Fund	117,234	117,207	117,207	114,308	0	
Cash Funds	828,603	871,031	871,031	878,595	0	
Cash Funds Exempt / Reappropriated Funds	299	0	0	0	0	
						Request vs. Appropriation
(1) (A) Administration and Information						
Technology Services	29,749,237	34,190,183	32,846,231	37,643,123	6,604,817	-80.2%
FTE	<u>55.4</u>	<u>54.6</u>	<u>58.8</u>	<u>43.8</u>	<u>43.8</u>	<u>(16.0)</u>
General Fund	5,546,765	5,993,458	5,436,120	6,501,101	582,792	-89.8%
Cash Funds	9,844,667	20,911,353	19,991,087	22,953,237	1,958,497	-90.3%
Cash Funds Exempt / Reappropriated Funds	13,439,126	6,056,813	6,141,225	6,226,971	4,019,581	-34.5%
Federal Funds	918,679	1,228,559	1,277,799	1,961,814	43,947	-96.6%

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
(B) EPA Wetlands Grant - Federal Funds	0	0	0	0	0	n/a
						Request vs. Appropriation
(C) H.B. 06-1311 (Species Cons. Trust Fund) - CF	0	0	0	0	0	n/a
(D) H.B. 07-1182 (Species Cons. Trust Fund) - CF	1,212,148	0	0	0	0	n/a
(E) S.B. 08-168 (Species Cons. Trust Fund) - CF	0	1,399,022	0	0	0	n/a
(F) H.B. 09-1289 (Species Cons. Trust Fund) - CF	0	0	8,378,070	0	0	-100.0%
						Request vs. Appropriation
(1) EXECUTIVE DIRECTOR'S OFFICE						
- SUBTOTAL	30,961,385	35,589,205	41,224,301	37,643,123	6,604,817	-84.2%
FTE	<u>55.4</u>	<u>54.6</u>	<u>58.8</u>	<u>43.8</u>	<u>43.8</u>	<u>(16.0)</u>
General Fund	5,546,765	5,993,458	5,436,120	6,501,101	582,792	-89.8%
Cash Funds	11,056,815	22,310,375	28,369,157	22,953,237	1,958,497	-93.1%
Cash Funds Exempt / Reappropriated Funds	13,439,126	6,056,813	6,141,225	6,226,971	4,019,581	-34.5%
Federal Funds	918,679	1,228,559	1,277,799	1,961,814	43,947	-96.6%
(6) PARKS AND OUTDOOR RECREATION						
Primary function: manages new and existing parks and various recreation programs throughout the State. Cash fund sources include the Parks Cash Fund, direct lottery distribution, GOCO grants, Off-highway Vehicle Cash Fund, and other special purpose cash funds.						
(A) State Park Operations	23,184,410	24,081,146	23,983,275	24,448,829	24,458,390	SWNPDI-1, IT Staff;
FTE	<u>248.3</u>	<u>252.7</u>	<u>260.7</u>	<u>255.7</u>	<u>255.7</u>	SWNPBA-PERA;
General Fund	5,466,161	5,614,271	3,852,230	3,804,643	3,806,173	SWNPBA-Mail
Cash Funds	14,870,622	18,106,950	19,685,656	20,198,797	20,206,828	
Cash Funds Exempt / Reappropriated Funds	2,494,124	0	0	0	0	
Federal Funds	353,503	359,925	445,389	445,389	445,389	
						Request vs.

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
						Appropriation
(A) State Park Operations - Subtotal	23,184,410	24,081,146	23,983,275	24,448,829	24,458,390	1.6%
FTE	<u>248.3</u>	<u>252.7</u>	<u>260.7</u>	<u>255.7</u>	<u>255.7</u>	<u>(5.0)</u>
General Fund	5,466,161	5,614,271	3,852,230	3,804,643	3,806,173	-1.6%
Cash Funds	14,870,622	18,106,950	19,685,656	20,198,797	20,206,828	2.3%
Cash Funds Exempt / Reappropriated Funds	2,494,124	0	0	0	0	n/a
Federal Funds	353,503	359,925	445,389	445,389	445,389	1.9%
(B) Great Outdoors Colorado (GOCO) Board Grants						
Land and Water Protection	521,835	460,714	709,000	709,000	709,000	
FTE	<u>2.0</u>	<u>1.3</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds	0	460,714	709,000	709,000	709,000	
Cash Funds Exempt / Reappropriated Funds	521,835	0	0	0	0	
Operations and Maintenance	1,759,604	1,571,605	1,969,000	1,969,000	1,969,000	
FTE	<u>14.5</u>	<u>13.2</u>	<u>14.5</u>	<u>14.5</u>	<u>14.5</u>	
Cash Funds	0	1,571,605	1,969,000	1,969,000	1,969,000	
Cash Funds Exempt / Reappropriated Funds	1,759,604	0	0	0	0	
Statewide Programs	1,381,541	1,109,812	1,657,000	1,657,000	1,657,000	
FTE	<u>6.0</u>	<u>4.5</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	
Cash Funds	0	1,109,812	1,657,000	1,657,000	1,657,000	
Cash Funds Exempt / Reappropriated Funds	1,381,541	0	0	0	0	
						Request vs. Appropriation
(B) GOCO Board Grants - Subtotal	3,662,980	3,142,131	4,335,000	4,335,000	4,335,000	0.0%
FTE	<u>22.5</u>	<u>19.0</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>0.0</u>
Cash Funds	0	3,142,131	4,335,000	4,335,000	4,335,000	0.0%
Cash Funds Exempt / Reappropriated Funds	3,662,980	0	0	0	0	n/a
(C) Special Purpose						
Snowmobile Program - CF	997,958	839,911	1,003,186	1,002,305	1,002,305	SWNPBA-PERA;
FTE	0.2	0.2	1.3	1.3	1.3	SWNPBA-Mail

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
River Outfitters Regulation - CF	77,001	71,931	74,466	74,466	74,466	
Off-Highway Vehicle Program - CF	336,465	255,818	394,376	393,130	393,130	SWNPBA-PERA; SWNPBA-Mail
FTE	3.0	3.0	3.0	3.0	3.0	
Federal Grants - FF	506,047	886,472	514,107	518,516	518,516	
S.B. 03-290 Enterprise Fund	<u>185,189</u>	<u>277,455</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	
Cash Funds	0	277,455	200,000	200,000	200,000	
Cash Funds Exempt / Reappropriated Funds	185,189	0	0	0	0	
System Operations and Support	<u>485,368</u>	<u>626,153</u>	<u>735,000</u>	<u>735,000</u>	<u>735,000</u>	
Cash Funds	0	626,153	735,000	735,000	735,000	
Cash Funds Exempt / Reappropriated Funds	485,368	0	0	0	0	
Connectivity at State Parks	<u>123,628</u>	<u>343,959</u>	<u>370,000</u>	<u>370,000</u>	<u>370,000</u>	
Cash Funds	0	343,959	370,000	370,000	370,000	
Cash Funds Exempt / Reappropriated Funds	123,628	0	0	0	0	
Asset Management	<u>407,256</u>	<u>298,279</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	
Cash Funds	0	298,279	300,000	300,000	300,000	
Cash Funds Exempt / Reappropriated Funds	407,256	0	0	0	0	
Voice Over Internet Protocol	<u>224,935</u>	<u>1,242</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	1,242	0	0	0	
Cash Funds Exempt / Reappropriated Funds	224,935	0	0	0	0	
Law Enforcement Equipment	<u>0</u>	<u>0</u>	<u>126,780</u>	<u>126,780</u>	<u>126,780</u>	
Cash Funds	0	0	126,780	126,780	126,780	
Cash Funds Exempt / Reappropriated Funds	0	0	0	0	0	
Natural Resource Protection (NEW LBLI REQUEST)	<u>0</u>	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>600,000</u>	DI-4 Parks Capital Reorganization
Cash Funds	NA	NA	0	150,000	150,000	
Federal Funds	NA	NA	0	450,000	450,000	

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
Miscellaneous Small Projects - CF (NEW LBLI REQUEST)	NA	NA	0	2,000,000	2,000,000	DI-4 Parks Capital Reorganization
Trails Grants (NEW LBLI REQUEST)	0	0	0	2,500,000	2,500,000	DI-4 Parks Capital Reorganization
Cash Funds	NA	NA	0	1,600,000	1,600,000	
Federal Funds	NA	NA	0	900,000	900,000	
Off-highway Vehicle Grants - CF (NEW LBLI REQUEST)	NA	NA	0	3,000,000	3,000,000	DI-4 Parks Capital Reorganization
S.B. 08-226 Aquatic Nuisance Species - CF	0	1,788,660	2,690,954	2,675,502	2,675,502	SWNPDI-2, Vehicle Replacement;
FTE	0.0	7.0	7.0	7.0	7.0	SWNPBA-PERA
Indirect Cost Assessment	1,511,433	1,457,729	1,294,669	1,300,511	1,352,541	
Cash Funds	1,318,075	1,283,850	1,222,324	1,221,611	1,273,641	
Federal Funds	193,358	173,879	72,345	78,900	78,900	
						Request vs. Appropriation
(C) Special Purpose - Subtotal	4,855,280	6,847,609	7,703,538	15,796,210	15,848,240	105.0%
FTE	3.2	10.2	11.3	11.3	11.3	0.0
Cash Funds	2,729,499	5,787,258	7,117,086	13,848,794	13,900,824	94.7%
Cash Funds Exempt / Reappropriated Funds	1,426,376	0	0	0	0	n/a
Federal Funds	699,405	1,060,351	586,452	1,947,416	1,947,416	229.6%
						Request vs. Appropriation
(6) PARKS AND OUTDOOR RECREATION						
- SUBTOTAL	31,702,670	34,070,886	36,021,813	44,580,039	44,641,630	23.6%
FTE	274.0	281.9	294.5	289.5	289.5	(5.0)
General Fund	5,466,161	5,614,271	3,852,230	3,804,643	3,806,173	-1.6%
Cash Funds	17,600,121	27,036,339	31,137,742	38,382,591	38,442,652	23.1%
Cash Funds Exempt / Reappropriated Funds	7,583,480	0	0	0	0	n/a
Federal Funds	1,052,908	1,420,276	1,031,841	2,392,805	2,392,805	132.7%

(7) COLORADO WATER CONSERVATION BOARD

Primary Functions: Responsible for water development and planning, as well as floodplain management. The primary cash fund source is the Colorado Water Conservation Board Construction Fund.

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
(A) Administration						
Personal Services	2,564,748	2,612,940	2,944,892	2,901,474	2,903,217	SWNPDI-1, IT Staff; SWNPBA-PERA
FTE	<u>26.8</u>	<u>28.8</u>	<u>31.0</u>	<u>30.0</u>	<u>30.0</u>	
Cash Funds	339,777	2,316,913	2,648,865	2,605,447	2,607,190	
Cash Funds Exempt / Reappropriated Funds	2,224,971	296,027	296,027	296,027	296,027	
Operating Expenses	<u>89,569</u>	<u>99,743</u>	<u>95,176</u>	<u>95,035</u>	<u>95,035</u>	
Cash Funds	0	99,743	95,176	95,035	95,035	
Cash Funds Exempt / Reappropriated Funds	89,569	0	0	0	0	
Interstate Compacts	<u>306,406</u>	<u>342,085</u>	<u>350,071</u>	<u>350,071</u>	<u>350,071</u>	
Cash Funds	0	342,085	350,071	350,071	350,071	
Cash Funds Exempt / Reappropriated Funds	306,406	0	0	0	0	
Western States Water Council Dues	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>	
Cash Funds	0	27,500	27,500	27,500	27,500	
Cash Funds Exempt / Reappropriated Funds	27,500	0	0	0	0	
River Decision Support Systems	510,262	532,532	536,558	451,161	453,165	SWNPDI-1, IT Staff; SWNPBA-PERA
FTE	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>4.0</u>	<u>4.0</u>	
Cash Funds	0	532,532	536,558	451,161	453,165	
Cash Funds Exempt / Reappropriated Funds	510,262	0	0	0	0	
						Request vs. Appropriation
(A) Administration - Subtotal	3,498,485	3,614,800	3,954,197	3,825,241	3,828,988	-4.4%
FTE	<u>31.8</u>	<u>33.8</u>	<u>36.0</u>	<u>34.0</u>	<u>34.0</u>	<u>(2.0)</u>
Cash Funds	339,777	3,318,773	3,658,170	3,529,214	3,532,961	-4.8%
Cash Funds Exempt / Reappropriated Funds	3,158,708	296,027	296,027	296,027	296,027	0.0%
(B) Special Purpose						
Intrastate Water Management and Development - CF (SWSI) Water Supply Management, Development, and Implementation Assistance - CFE ¹	0	450,655	470,464	470,464	470,464	
	443,646	0	0	0	0	

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
Federal Emergency Management						
Assistance	81,659	126,344	141,726	144,147	144,147	SWNPBA-PERA
FTE	<u>1.9</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds (CWCB)	0	13,941	13,941	13,593	13,593	
Cash Funds Exempt / Reappropriated Funds (CWCB)	0	0	0	0	0	
Federal Funds	81,659	112,403	127,785	130,554	130,554	
Weather Modification - CF (Fees)	11,220	11,035	25,000	25,000	25,000	
Water Conservation Program	180,501	219,008	278,714	283,777	283,777	SWNPBA-PERA
FTE	<u>2.2</u>	<u>2.8</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	
Cash Funds (CWCB)	0	219,008	278,714	283,777	283,777	
Cash Funds Exempt / Reappropriated Funds (CWCB)	180,501	0	0	0	0	
H.B. 05-1254 Water Efficiency Grant Program	525,127	523,449	600,029	600,029	550,000	
FTE	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>	
Cash Funds (CWCB)	0	523,449	600,029	600,029	550,000	
Cash Funds Exempt / Reappropriated Funds (CWCB) ²	525,127	0	0	0	0	
Severance Tax Fund - CF	1,262,099	1,226,627	1,275,500	1,275,500	1,275,500	
HB 05-1177 (Negotiation of Interbasin Compacts) - CF (Sev Tax)	0	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	0.0	
Interbasin Compacts (HB 06-1400) - CF	1,057,578	683,022	1,145,067	1,145,067	745,067	
FTE	1.7	3.0	3.7	3.7	3.7	
Platte River Basin Cooperative Agreement	200,745	226,452	229,958	230,899	230,899	SWNPBA-PERA
FTE	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds (CWCB)	0	226,452	229,958	230,899	230,899	
Cash Funds Exempt / Reappropriated Funds (CWCB)	200,745	0	0	0	0	
S.B. 02-87 Colorado Watershed Protection Fund	<u>70,333</u>	<u>86,945</u>	<u>119,942</u>	<u>119,942</u>	<u>119,942</u>	
Cash Funds	0	86,945	119,942	119,942	119,942	

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
Cash Funds Exempt / Reappropriated Funds	70,333	0	0	0	0	
Indirect Cost Assessment	<u>450,535</u>	<u>431,770</u>	<u>481,731</u>	<u>489,653</u>	<u>510,508</u>	
Cash Funds (CWCB)	0	425,523	472,542	480,851	501,706	
Cash Funds Exempt / Reappropriated Funds (CWCB)	446,108	0	0	0	0	
Federal Funds	4,427	6,247	9,189	8,802	8,802	
Water Construction Fund Bill ³	<u>2,575,885</u>	<u>0</u>	<u>5,530,000</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	0	5,530,000	0	0	
Cash Funds Exempt / Reappropriated Funds	2,575,885	0	0	0	0	
S.B. 06-193 Study - CF	0	0	0	0	0	
						Request vs. Appropriation
(B) Special Purpose - Subtotal	6,859,328	3,985,307	10,298,131	4,784,478	4,355,304	-57.8%
FTE	<u>6.8</u>	<u>8.8</u>	<u>11.7</u>	<u>11.7</u>	<u>10.7</u>	<u>(1.0)</u>
Cash Funds	2,330,897	3,866,657	10,161,157	4,645,122	4,215,948	-58.6%
Cash Funds Exempt / Reappropriated Funds	4,442,345	0	0	0	0	n/a
Federal Funds	86,086	118,650	136,974	139,356	139,356	-1.4%
						Request vs. Appropriation
(7) COLORADO WATER CONSERVATION BOARD						
- SUBTOTAL	10,357,813	7,600,107	14,252,328	8,609,719	8,184,292	-42.9%
FTE	<u>38.6</u>	<u>42.6</u>	<u>47.7</u>	<u>45.7</u>	<u>44.7</u>	<u>(3.0)</u>
Cash Funds	2,670,674	7,185,430	13,819,327	8,174,336	7,748,909	-44.2%
Cash Funds Exempt / Reappropriated Funds	7,601,053	296,027	296,027	296,027	296,027	0.0%
Federal Funds	86,086	118,650	136,974	139,356	139,356	-1.4%

¹ The name of this line item was changed in FY 2008-09 to "Intrastate Water Management and Development".

² S.B. 07-008 expanded the Water Efficiency Grant Program and appropriated \$82,749 and 1.0 FTE to the CWCB in FY 08. The Department was appropriated \$600,029 in FY 09 and a continuation appropriation for FY 2009-10.

³ Funding for this area is provided through a special bill: the annual water projects bill (S.B. 09-125). Since the amount for the FY 2010-11 bill is not known at this time, the Department's request appears to be lower by the amount of the FY 2009-10 appropriation.

(8) WATER RESOURCES DIVISION ("State Engineer's Office")

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
Primary functions: responsible for administration of the State's water resources.						
Cash funds include the Groundwater Management Cash Fund, Well Inspection Cash Fund and CWCB Construction Fund.						
Personal Services	17,910,062	17,706,890	18,412,173	17,780,896	17,799,398	SWNPDI-1, IT Staff; SWNPBA-PERA
FTE	<u>252.3</u>	<u>244.6</u>	<u>256.1</u>	<u>243.1</u>	<u>243.1</u>	
General Fund	17,633,652	17,544,755	17,899,552	17,265,064	17,283,566	
Cash Funds (Mostly Gr. Water Management Fee)	258,879	162,135	512,621	515,832	515,832	
Cash Funds Exempt / Reappropriated Funds	17,531	0	0	0	0	
Operating Expenses	<u>1,606,419</u>	<u>1,437,146</u>	<u>1,430,751</u>	<u>1,429,996</u>	<u>1,429,996</u>	
General Fund	1,045,631	932,876	991,243	990,488	990,488	
Cash Funds	376,706	504,270	439,508	439,508	439,508	
Cash Funds Exempt / Reappropriated Funds	184,082	0	0	0	0	
Interstate Compacts - General Fund	75,906	76,002	76,002	76,002	76,002	
Republican River Compact Compliance	46,035	273,051	314,558	316,704	316,704	SWNPBA-PERA
FTE	<u>1.0</u>	<u>2.2</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	
General Fund	46,035	186,655	314,558	316,704	316,704	
Cash Funds - Well Enforcement Cash Fund	0	86,396	0	0	0	
Satellite Monitoring System	360,129	367,614	747,187	398,987	398,987	SWNPBA-PERA; DI-5, Satellite
FTE	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	Monitoring Revenue
General Fund	245,129	204,834	212,298	194,098	194,098	Increase
Cash Funds - Satellite Monitoring System CF and CWCB	115,000	162,780	534,889	204,889	204,889	
Augmentation of Water for Sand and Gravel Extraction - CF	12,651	17,184	44,400	44,400	44,400	
Dam Emergency Repair - H.B. 92-1131 - Cash Funds	0	0	50,000	50,000	50,000	
Federal Grant - FF (FEMA and USGS)	148,943	69,345	94,246	133,422	133,422	SWNPBA-PERA
River Decision Support Systems	366,003	345,811	381,383	201,296	205,391	SWNPDI-1, IT Staff; SWNPBA-PERA
FTE	<u>4.0</u>	<u>3.0</u>	<u>4.0</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds	0	345,811	381,383	201,296	205,391	

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
Cash Funds Exempt / Reappropriated Funds	366,003	0	0	0	0	
H.B. 03-1334 Temporary Interruptible Water Supply Agreements - CF	0	0	61,589	61,589	61,589	
S.B. 04-225 Well Enforcement - CF	1,489	0	1,489	1,489	1,489	
Indirect Cost Assessment	<u>60,744</u>	<u>59,540</u>	<u>42,670</u>	<u>32,590</u>	<u>33,908</u>	
Cash Funds	33,938	56,062	40,849	30,952	32,270	
Cash Funds Exempt / Reappropriated Funds	24,331	0	0	0	0	
Federal Funds	2,475	3,478	1,821	1,638	1,638	
Expenditure of Water Project Bill Funds	<u>253,743</u>	<u>267,088</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds (CWCB)	0	267,088	0	0	0	
Cash Funds Exempt / Reappropriated Funds (CWCB)	253,743	0	0	0	0	
						Request vs. Appropriation
(8) WATER RESOURCES DIVISION - SUBTOTAL	20,842,124	20,619,671	21,656,448	20,527,371	20,551,286	-7.5%
FTE	<u>259.3</u>	<u>251.8</u>	<u>267.1</u>	<u>252.1</u>	<u>252.1</u>	<u>(20.3)</u>
General Fund	19,046,353	18,945,122	19,493,653	18,842,356	18,860,858	-6.1%
Cash Funds	798,663	1,601,726	2,066,728	1,549,955	1,555,368	-23.7%
Cash Funds Exempt / Reappropriated Funds	845,690	0	0	0	0	n/a
Federal Funds	151,418	72,823	96,067	135,060	135,060	39.8%
(9) DIVISION OF WILDLIFE						
Primary Function: Supports protection and management wildlife and related habitats; coordinates management of hunting, fishing, and watchable recreation programs; and provides education on wildlife and wildlife recreation. Cash funds exempt are primarily from hunting and fishing license fees as well as GOCO Board grants.						
(A) Division Operations						
(1) Director's Office	1,706,473	1,811,065	2,017,083	2,028,057	2,028,057	SWNPBA-PERA
FTE	<u>14.8</u>	<u>13.1</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	
Cash Funds	0	1,656,905	1,902,466	1,911,113	1,911,113	
Cash Funds Exempt / Reappropriated Funds	1,566,578	0	0	0	0	
Federal Funds	139,895	154,160	114,617	116,944	116,944	

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
(2) Wildlife Management	66,505,722	65,366,675	65,562,479	65,823,754	65,828,172	SWNPDI-1, IT Staff;
FTE	<u>565.7</u>	<u>581.1</u>	<u>554.4</u>	<u>551.4</u>	<u>551.4</u>	SWNPBA-PERA;
Cash Funds	0	53,734,282	55,475,586	55,671,519	55,675,937	SWNPBA-Mail
Cash Funds Exempt / Reappropriated Funds	54,259,742	0	0	0	0	
Federal Funds	12,245,980	11,632,393	10,086,893	10,152,235	10,152,235	
(3) Technical Services	6,078,066	6,272,375	6,573,812	6,491,717	6,494,205	SWNPDI-1, IT Staff;
FTE	<u>56.2</u>	<u>57.7</u>	<u>61.0</u>	<u>60.0</u>	<u>60.0</u>	SWNPBA-PERA;
Cash Funds	0	6,255,696	6,577,746	6,488,796	6,491,284	SWNPBA-Mail
Cash Funds Exempt / Reappropriated Funds	6,053,227	0	0	0	0	
Federal Funds	24,839	16,679	(3,934)	2,921	2,921	
(4) Information Technology	2,811,805	2,514,929	2,922,551	1,549,565	1,580,395	SWNPDI-1, IT Staff;
FTE	<u>16.5</u>	<u>16.6</u>	<u>18.0</u>	<u>2.0</u>	<u>2.0</u>	SWNPBA-PERA
Cash Funds	0	2,514,929	2,922,551	1,549,565	1,580,395	
Cash Funds Exempt / Reappropriated Funds	2,811,805	0	0	0	0	
Federal Funds	0	0	0	0	0	
						Request vs. Appropriation
(A) Division Operations - Subtotal	77,102,066	75,965,044	77,075,925	75,893,093	75,930,829	-2.1%
FTE	<u>653.2</u>	<u>668.5</u>	<u>651.4</u>	<u>631.4</u>	<u>631.4</u>	(20.0)
Cash Funds	0	64,161,812	66,878,349	65,620,993	65,658,729	-2.4%
Cash Funds Exempt / Reappropriated Funds	64,691,352	0	0	0	0	n/a
Federal Funds	12,410,714	11,803,232	10,197,576	10,272,100	10,272,100	-0.1%
(B) Special Purpose						
Wildlife Commission Discretionary Fund	<u>160,000</u>	<u>159,626</u>	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	
Cash Funds	0	159,626	160,000	160,000	160,000	
Cash Funds Exempt / Reappropriated Funds	160,000	0	0	0	0	
Game Damage Claims and Prevention	<u>1,050,000</u>	<u>1,184,914</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>1,282,500</u>	
Cash Funds	0	1,184,914	2,500,000	2,500,000	1,282,500	
Cash Funds Exempt / Reappropriated Funds	1,050,000	0	0	0	0	

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests
Instream Flow Program	<u>296,027</u>	<u>296,027</u>	<u>296,027</u>	<u>296,027</u>	<u>296,027</u>	
Cash Funds	0	296,027	296,027	296,027	296,027	
Cash Funds Exempt / Reappropriated Funds	296,027	0	0	0	0	
Habitat Partnership Program	<u>2,686,662</u>	<u>2,146,531</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	
Cash Funds	0	2,146,531	2,500,000	2,500,000	2,500,000	
Cash Funds Exempt / Reappropriated Funds	2,686,662	0	0	0	0	
S.B. 08-226 Aquatic Nuisance Species - CF	0	1,364,172	1,304,544	1,304,544	1,304,544	
Grants and Habitat Partnerships - CF (NEW LBLI REQUEST)	NA	NA	0	1,625,000	1,625,000	DI-3, Wildlife Capital Reorganization
Asset Maintenance and Repairs - CF (NEW LBLI REQUEST)	NA	NA	0	606,880	606,880	DI-3, Wildlife Capital Reorganization
Indirect Cost Assessment - Total Funds	<u>3,215,026</u>	<u>2,982,528</u>	<u>3,281,465</u>	<u>3,363,830</u>	<u>3,507,100</u>	
Cash Funds	0	2,982,528	3,281,465	3,363,830	2,964,227	
Cash Funds Exempt / Reappropriated Funds	2,791,872	0	0	0	0	
Federal Funds	423,154	0	0	0	542,873	
						Request vs. Appropriation
(B) Special Purpose - Subtotal	<u>7,407,715</u>	<u>8,133,798</u>	<u>10,042,036</u>	<u>12,356,281</u>	<u>11,282,051</u>	<u>12.3%</u>
Cash Funds	0	8,133,798	10,042,036	12,356,281	10,739,178	6.9%
Cash Funds Exempt / Reappropriated Funds	6,984,561	0	0	0	0	n/a
Federal Funds	423,154	0	0	0	542,873	n/a
						Request vs. Appropriation
(9) DIVISION OF WILDLIFE - SUBTOTAL	84,509,781	84,098,842	87,117,961	88,249,374	87,212,880	-0.4%
FTE	<u>653.2</u>	<u>668.5</u>	<u>651.4</u>	<u>631.4</u>	<u>631.4</u>	<u>(20.0)</u>
Cash Funds	0	72,295,610	76,920,385	77,977,274	76,397,907	-1.2%
Cash Funds Exempt / Reappropriated Funds	71,675,913	0	0	0	0	n/a
Federal Funds	12,833,868	11,803,232	10,197,576	10,272,100	10,814,973	5.2%
						Request vs. Appropriation

FY 2010-11
 Joint Budget Committee Budget Figure Setting
 Department of Natural Resources
 (EDO, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources Division, Division of Wildlife)

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2010 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation	Change Requests Appropriation
DEPARTMENT OF NATURAL RESOURCES (EDO, Parks, CWCB, WRD, and DOW)						
TOTAL FUNDS	178,373,773	181,978,711	200,272,851	199,609,626	167,194,905	-17.2%
FTE	<u>1,280.5</u>	<u>1,299.4</u>	<u>1,319.5</u>	<u>1,262.5</u>	<u>1,261.5</u>	<u>(64.3)</u>
General Fund	30,059,279	30,552,851	28,782,003	29,148,100	23,249,823	-21.7%
Cash Funds	32,126,273	130,429,480	152,313,339	149,037,393	126,103,333	-17.6%
Cash Funds Exempt / Reappropriated Funds	101,145,262	6,352,840	6,437,252	6,522,998	4,315,608	-33.0%
Federal Funds	15,042,959	14,643,540	12,740,257	14,901,135	13,526,141	5.4%

**DEPARTMENT OF NATURAL RESOURCES
FIGURE SETTING FY 2010-11**

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

(I) EXECUTIVE DIRECTOR'S OFFICE

(A) Administration and Information Technology

Employees in this area are responsible for central administration responsibilities within the Department. It is comprised of the following units:

Administration and Policy Development - Responsible for program implementation pertaining to various boards, commissions and divisions in the Department; supports the Executive Director and other division personnel in dealings with local, county, and state agencies; and administers pass-through funding.

Human Resources - Responsible for the maintenance of records pertaining to all aspects of personnel management; ensures compliance with applicable laws and regulations governing the Department's workforce; and assists with employee training.

Accounting and Purchasing - Directs and manages the centralized bookkeeping and procurement operations for the Department, which includes an operating budget of \$227.8 million, a capital construction budget of \$47.6 million, and revenues exceeding \$221 million (\$203.6 million cash funds and \$17.4 million federal funds).

Budget and Financial Services - Responsible for the formulation and execution of the Department's annual budget process, which includes interactions with division personnel, the Office of State Planning and Budgeting, the Joint Budget Committee, legislative staff, and the members of the General Assembly.

Information Technology - Responsible for the establishment, update, and enforcement of IT strategies, plans, policies, standards, and procedures as provided by guidance received from the Governor's Office, the Executive Director, and the DNR IT Executive Board. In addition, this program provides for the direct delivery of several departmental enterprise-class services such as infrastructure, network, and system applications operations, centralized Internet/Intranet operations and maintenance, project management support, and GIS coordination.

Pending Line Items. The Executive Director's Office has line items that provide services to the entire Department, including services that the Department of Natural Resources purchases from the Department of Personnel and Administration and the Department of Law. The appropriation for many of these line items is determined through common policies approved by the JBC. Because the JBC has not completed figure setting for all common policies, the following line items will be

reflected as "Pending" in this figure setting packet: (1) Workers' Compensation, (2) Administrative Law Judge Services, (3) Purchase of Services from Computer Center, (4) Multiuse Network Payments, (5) Payments to Risk Management and Property Funds, (6) Vehicle Lease Payments, (7) Capitol Complex Leased Space, and (8) Communication Services Payments.

Staff will make a recommendation to the JBC for the number of hours for legal services. The appropriation for "Legal Services" will be calculated using the number of approved legal services hours with the blended rate approved by the JBC for the Department of Law's Legal Services to State Agencies (LSSA). Because the blended rate for the Department of Law has not been determined, this line item will also be shown as "Pending" in this figure setting packet.

Fund Mix for Central Appropriations. In recent years, central appropriations that support the Division of Parks and Outdoor Recreation have been appropriated with 100.0 percent General Fund. During FY 2007-08 figure setting staff recommended and the Committee approved that all central appropriations for the Division of Parks and Outdoor Recreation be made with 30 percent General Fund and 70 percent cash funds from the Parks and Outdoor Recreation Cash Fund. For FY 2007-08 the refinance saved \$2.9 million General Fund. For FY 2009-10, staff calculated funding splits for central appropriations for the Division of Parks and Outdoor Recreation with 19.4 percent General Funds and 80.6 percent cash funds. This staff calculation was based on the Department's FY 2009-10 Indirect Cost Plan which showed that the Department spent 19.4 percent General Fund for personal services in FY 2007-08. **For FY 2010-11, staff recommends funding splits for the Parks and Outdoor Recreation potted items based on a funding split of 18.9 percent General Fund and 81.1 percent cash funds. This staff calculation is based on the Department's FY 2010-11 Indirect Cost Plan which shows that the Department spent 18.9 percent General Fund for personal services in FY 2008-09.**

The table below shows the staff recommendation for the Executive Director's Office for FY 2010-11. Staff notes that the recommendation includes several pending items that the Committee has not taken action on yet. Staff will adjust these items depending on Committee action:

Category	GF	CF	RF	FF	Total	FTE
(1) Executive Director's Office Current Appropriation	\$5,730,662	\$28,551,837	\$6,141,225	\$1,284,830	\$41,708,554	59.8
H.B. 10-1309 FY 2010 Supplemental Bill (Has Not Been Signed Into Law)	(\$294,542)	(\$182,680)	\$0	(\$7,031)	(\$484,253)	(1.0)
Changes due to Common Policy Changes (PENDING)	191,874	31,292	108,318	450,598	782,082	0.0
Restore FY 2010 Furlough	52,104	59,811	3,891	8,912	124,718	0.0
Restore FY 2010 Personal Services Cut	97,089	0	0	0	97,089	0.0

Category	GF	CF	RF	FF	Total	FTE
Annualize FY 2010 Correct Risk Management Funding Methodology	43,872	77,548	(17,624)	(5,786)	98,010	0.0
Annualize FY 2010 Leased Space Adjustments	37,070	24,318	0	(2,487)	58,901	0.0
Annualize FY 2010 Management and Administration of OIT Reduction	7,111	24,382	1,410	784	33,687	0.0
Adjustments Per Revised Indirect Cost Plan (PENDING)	(340,060)	0	340,060	0	0	0.0
Annualize H.B. 09-1289 Species Conservation Eligibility List	0	(8,378,070)	0	0	(8,378,070)	0.0
SWNP: Annualize Fleet Vehicle Replacement	(18,574)	(108,244)	0	3,802	(123,016)	0.0
Annualize FY 2010 Legal Services for Instream Flow	0	(70,706)	0	0	(70,706)	0.0
Annualize S.B. 09-158 Conservation Programs on Private Lands	0	(50,000)	0	0	(50,000)	0.0
Annualize FY 2010 SWNPS&BA: Postage Increase and Mail Equipment Upgrade (PENDING)	<u>0</u>	<u>0</u>	<u>(170)</u>	<u>0</u>	<u>(170)</u>	<u>0.0</u>
Executive Director's Office Base Recommendation	5,506,606	19,979,488	6,577,110	1,733,622	33,796,826	58.8
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation (PENDING)	777,957	2,509,048	(155,510)	166,177	3,297,672	(15.0)
SWNPBA: Annual Fleet Vehicle Replacement (PENDING)	19,546	162,567	0	13,111	195,224	0.0
SWNPDI-2: Vehicle Replacements (PENDING)	9,521	194,667	0	(16,910)	187,278	0.0
SWNPBA: Total Compensation Update (PENDING)	63,602	(52,525)	41,655	62,886	115,618	0.0
Budget Amendment-1: Additional Legal Services for Instream Flow	0	109,904	0	0	109,904	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. PERA Adjustment Impact (PENDING)	0	0	32,171	0	32,171	0.0

Category	GF	CF	RF	FF	Total	FTE
Decision Item 1: Leased Space Adjustments	(19,573)	48,694	0	2,919	32,040	0.0
Budget Amendment-2: Leased Space Adjustments	0	2,400	0	0	2,400	0.0
SWNPBA: Mail Equipment Supplemental and Budget Amendment (PENDING)	0	0	29	0	29	0.0
SWNPBA: PERA Adjustment	0	0	(103,143)	0	(103,143)	0.0
(1) Executive Director's Office Total Recommendation	\$6,357,659	\$22,954,243	\$6,392,312	\$1,961,805	\$37,666,019	43.8
Change	\$626,997	(\$5,597,594)	\$251,087	\$676,975	(\$4,042,535)	(16.0)
Percent Change	10.9%	-19.6%	4.1%	52.7%	-9.7%	-26.8%

Indirect Cost Plan Funding. An indirect cost plan submitted by the Department on November 4, 2009 is shown in the tables below:

Actual Personal Services Expenditures FY 2008-09 (From Department FY 2010-11 Indirect Cost Plan)					
Division	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total
EDO	12,657	489,370	5,055,734	0	5,557,761
Division of Reclamation, Mining, and Safety	0	2,857,588	0	4,181,290	7,038,878
Geological Survey	0	2,309,507	549,008	345,887	3,204,402
Oil and Gas Conservation Commission	0	6,998,137	0	95,189	7,093,326
State Board of Land Commissioners	0	3,068,203	0	0	3,068,203
Parks and Outdoor Recreation	5,311,002	21,954,701	0	756,739	28,022,442
Colorado Water Conservation Board	0	7,174,369	0	1,625,648	8,800,017
Water Resources Division	20,401,888	556,270	0	25,097	20,983,255
Division of Wildlife	0	51,096,608	0	9,357,910	60,454,518
Total	25,725,547	96,504,753	5,604,742	16,387,760	144,222,802
<i>Total (w/o EDO)</i>	<i>25,712,890</i>	<i>96,015,383</i>	<i>549,008</i>	<i>16,387,760</i>	<i>138,665,041</i>
<i>Percent share (w/o EDO)</i>	<i>18.5%</i>	<i>69.2%</i>	<i>0.4%</i>	<i>11.8%</i>	

* Numbers may not add due to rounding.

Department of Natural Resources Indirect Cost Pool for FY 2010-11 Request (Based on FY 2008-09 actual expenditures)

Indirect Cost Pool (Department Request)	Amount
<i>Statewide Indirect Cost Pool (excluding General Fund Share)</i>	1,233,048
Department Indirect Cost Pool	
EDO Personal Services	5,354,641
EDO Operating Expenses	193,286
Workers' Compensation	0
Purchase of Services from Computer Center	157,319
Management and Administration of OIT	8,417
IT Asset Maintenance	84,539
Multiuse Network Payments	62,113
Capitol Complex Leased Space	169,706
Payment to Risk Management and Property Funds	27,698
Legal Services	12,500
Audit Charges	178,608
Equipment Use	<u>233,770</u>
Total Department Indirect Cost Pool	<u>6,482,597</u>
Total Indirect Cost Pool (Statewide and Department)	7,715,645
No Indirect Costs Collected for General Fund Personal Services	<u>(1,376,803)</u>
Total Recoverable Indirect Costs	6,338,842

* Numbers may not add due to rounding.

November 4, 2010 Department of Natural Resources Indirect Cost Analysis and Funding Request			
<u>Indirect Cost Allocation</u>	Departmental	Statewide	Total
EDO - Personal Services	4,019,085	1,233,048	5,252,133
EDO - Other Expenses*	<u>1,324,977</u>	<u>0</u>	<u>1,324,977</u>
Total Indirect Cost Allocation	5,344,062	1,233,048	6,577,110

November 4, 2010 Department of Natural Resources Indirect Cost Analysis and Funding Request

<u>Indirect Cost Recoveries</u>	From DNR Cash Plan	From Federal Recovery Plan	Total Recovery
Division of Reclamation, Mining, and Safety	160,386	269,654	430,040
Geological Survey	111,204	45,000	156,204
Oil and Gas Conservation Commission	389,393	5,898	395,291
State Board of Land Commissioners	170,722	0	170,722
Parks and Outdoor Recreation	1,221,611	78,900	1,300,511
Colorado Water Conservation Board	480,851	8,802	489,653
Water Resources Division	30,952	1,638	32,590
Division of Wildlife	<u>2,843,135</u>	<u>520,696</u>	<u>3,363,831</u>
Total Indirect Cost Recovery	5,408,254	930,588	6,338,842
Total Indirect Cost Recovery Surplus/(Deficit for General Fund to Cover)			(238,268)

* "Other Expenses" include funding for operating expenses; health, live, and dental; short-term disability; AED; SAED; workers' compensation; payment to risk management and property funds; capitol complex leased space; legal services; purchase of services from computer center; multiuse network payments; IT asset maintenance; management and administration of OIT. Staff notes that due to the fact that many of these lines are pending, the total indirect cost recovery surplus/(deficit) will change.

The indirect cost plan that the Department has submitted above is using the same methodology as the FY 2009-10 Committee approved indirect cost plan. According to this methodology, and noting that potted items are still pending, the Department estimates that it will need 238,268 General Fund in the EDO to support EDO operations that the indirect cost plan cannot cover.

Staff notes that as of the completion of this packet, the Committee had not made a decision on the statewide indirect cost common policy.

For the FY 2010-11 request, staff has re-evaluated the assumptions for the Department indirect cost plan. Staff has noticed that the Department methodology takes the statewide indirect cost rate provided by the State Controller's Office for cash funds, reappropriated funds, and federal funds and includes that rate in its indirect cost calculation model. For FY 2010-11, the Department of Natural Resources cash and federal statewide indirect cost is \$1,233,048. To this amount, the Department adds the internal department indirect cost amount and subtracts a General Fund amount for which indirect costs will not be recovered. Staff notes that by doing this, in staff's opinion, the Department is under-recovering statewide indirect cost rates by reducing the statewide indirect cost amount to account for General Fund. Instead, using the Department's current methodology, the Department should use the statewide indirect cost rate amount which includes General Fund, cash funds, reappropriated funds, and federal funds. For FY 2010-11, this amount is \$1,561,668. Using this methodology, the Department will not be double-exempting General Fund for recovery purposes.

The two tables below show that using staff's calculation and the Department assumptions for potted items, staff's calculation shows that the total recoverable indirect costs in the Department total to \$6,591,736, or \$252,894 higher than the Department request.

Staff recommends the committee approve a FY 2010-11 indirect cost amount for the Department of Natural Resources totaling \$6,591,736. Staff notes that in prior years, the Committee has approved the statewide indirect cost amount from the statewide indirect cost plan which excludes General Fund. This staff recommendation is to use the statewide indirect cost amount which includes General Fund, or \$1,561,668 for FY 2010-11. Staff recommendation on the allocation of the indirect cost amount is pending Committee action on Health, Life, Dental; the Statewide IT Staff Consolidation request, and the 2.5 percent PERA adjustment.

Indirect Cost Pool (Staff Recommendation)	Amount
<i>Statewide Indirect Cost Pool (including General Fund Share)</i>	<i>1,561,668</i>
<i>Department Indirect Cost Pool</i>	
EDO Personal Services	5,354,641
EDO Operating Expenses	193,286
Workers' Compensation	0
Purchase of Services from Computer Center	157,319
Management and Administration of OIT	8,417
IT Asset Maintenance	84,539
Multiuse Network Payments	62,113
Capitol Complex Leased Space	169,706
Payment to Risk Management and Property Funds	27,698
Legal Services	12,500
Audit Charges	178,608
Equipment Use	<u>233,770</u>
Total Department Indirect Cost Pool	<u>6,482,597</u>
Total Indirect Cost Pool (Statewide and Department)	8,044,265
No Indirect Costs Collected for General Fund Personal Services	<u>(1,452,529)</u>
Total Recoverable Indirect Costs	6,591,736

Staff Pending Recommendation for Department of Natural Resources Indirect Cost Plan Funding (For Illustration Purposes Only, Not Final Recommendation)			
<u>Indirect Cost Allocation</u>	Departmental	Statewide	Total
EDO - Personal Services	4,019,085	1,233,048	5,252,133
EDO - Other Expenses*	<u>1,324,977</u>	<u>0</u>	<u>1,324,977</u>
Total Indirect Cost Allocation	5,344,062	1,233,048	6,577,110
<u>Indirect Cost Recoveries</u>	From DNR Cash Plan	From Federal Recovery Plan	Total Recovery
Division of Reclamation, Mining, and Safety	167,217	269,654	436,871
Geological Survey	115,940	45,000	160,940
Oil and Gas Conservation Commission	405,977	5,898	411,875
State Board of Land Commissioners	177,993	0	177,993
Parks and Outdoor Recreation	1,273,641	78,900	1,352,541
Colorado Water Conservation Board	501,706	8,802	510,508
Water Resources Division	32,270	1,638	33,908
Division of Wildlife	<u>2,964,227</u>	<u>542,873</u>	<u>3,507,100</u>
Total Indirect Cost Recovery	5,638,971	952,765	6,591,736
Total Indirect Cost Recovery Surplus/(Deficit for General Fund to Cover)			14,626

* "Other Expenses" include funding for operating expenses; health, live, and dental; short-term disability; AED; SAED; workers' compensation; payment to risk management and property funds; capitol complex leased space; legal services; purchase of services from computer center; multiuse network payments; IT asset maintenance; management and administration of OIT. Staff notes that due to the fact that many of these lines are pending, the total indirect cost recovery surplus/(deficit) will change.

Personal Services

Executive Directors Office Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management and Administration	11.4	15.8	14.8	14.8
Accounting	18.4	19.0	19.0	19.0
Human Resources	9.8	10.0	10.0	10.0
Information Technology	<u>15.0</u>	<u>15.0</u>	<u>0.0</u>	<u>0.0</u>
Total	54.6	59.8	43.8	43.8

Staff recommendation for the EDO Personal Services line item is based on Committee common policy including the following adjustments:

- 1). FY 2009-10 appropriations as a starting base;
- 2). FY 2009-10 supplemental appropriations;
- 3). Restore 1.82 percent FY 2009-10 Personal Services Cut Common Policy;
- 4). Restore FY 2009-10 furlough change request. For FY 2009-10, appropriation included a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff. The Governor implemented a policy for 8 furlough days during FY 2009-10. The Joint Budget Committee has voted as a general policy to restore the 1.82 percent cut and the furlough adjustment for FY 2010-11.
- 5). S.B. 09-158 annualization (Private Land Conservation Incentive), this bill provided a one-time \$50,000 from the Species Conservation Trust Fund to the Department to carry out a study of federal and state landowner conservation programs that offer monetary compensation to landowners who set aside lands or adopt specific land management strategies;
- 6). The Committee has not yet approved the FY 2010-11 Statewide Indirect Cost Plan. In addition a potential funding mix adjustment to reflect the costs covered by the Department indirect cost plan and the statewide indirect cost plan is pending the funding of various other line items that are currently pending. Once all line items within the department are set, and the total funding need in the EDO is known, staff will adjust this line to reflect the funding split between indirect costs and General Fund in the EDO;
- 7). The recommendation includes a reduction of \$1,436,088 reappropriated funds and 15.0 FTE to account for a statewide change request submitted by the Governor's Office of Information Technology. **This item is pending Committee decision on this request during figure setting for the Office of the Governor;**
- 8). The recommendation includes \$32,171 increase to account for an adjustment to the statewide change request submitted by the Governor's Office of Information Technology to account for a 2.5 percent PERA adjustment proposal;
- 9). The recommendation includes a reduction of \$103,143 reappropriated funds to account for a statewide change request to reduce the State's contribution to the Public Employee's Retirement Association (PERA) by 2.5 percent and increase employee contributions by a like amount. This item is pending Committee decision on this request during figure setting for the Department of Personnel;
- 10). As mentioned in item 6 above, this line item may change due to additional changes to indirect cost recoveries.

Staff recommendation for the Personal Services line item in the EDO is pending. However, if the Committee approves all Department requests, the final recommendation will be \$3,745,073 and 43.8 FTE. Staff recommendation for funding splits is pending.

Summary of Recommendation – Executive Director's Office Personal Services — Department of Natural Resources					
	GF	CF	RF	Total	FTE
1. FY 2009-10 Appropriation	341,706	50,000	4,901,819	5,293,525	59.8
2. FY 2009-10 Supplemental Bill	(129,962)	0	10,254	(119,708)	(1.0)
3. Restore FY 2009-10 1.82 Percent Cut	97,089	0	0	97,089	0.0
4. Restore FY 2009-10 Furlough	31,227	0	0	31,227	0.0

Summary of Recommendation – Executive Director's Office Personal Services — Department of Natural Resources					
	GF	CF	RF	Total	FTE
5. S.B. 09-158 Annualization (Private Land Conservation Incentive)	0	(50,000)	0	(50,000)	0.0
6. Indirect Cost Adjustments	<u>(340,060)</u>	<u>0</u>	<u>340,060</u>	<u>0</u>	<u>0.0</u>
Continuation Estimate	0	0	5,252,133	5,252,133	58.8
7. SWNPDI-1 IT Staff Consolidation	0	0	(1,436,088)	(1,436,088)	(15.0)
8. Adjustment to SWNPDI-1 IT Staff Consolidation Request for PERA Adjustment	0	0	32,171	32,171	0.0
9. SWNPBA Statewide PERA Adjustment	<u>0</u>	<u>0</u>	<u>(103,143)</u>	<u>(103,143)</u>	<u>0.0</u>
Total Recommendation	0	0	3,745,073	3,745,073	43.8
10. Potential Adjustment for Change in Indirect Costs	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>0</u>	<u>n/a</u>
Final Recommendation	TBD	TBD	TBD	TBD	TBD

Health, Life, and Dental

The table below shows the current request submitted by the Department. Staff notes that funding for this line item is pending a Committee common policy decision.

Summary of Request – Executive Director's Office Health, Life, and Dental — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2009-10 Appropriation	1,972,381	6,125,183	330,263	745,983	9,173,810
2. FY 2009-10 Supplemental Bill	(138,703)	0	(4,570)	0	(143,273)
3. Restore FY 2009-10 Savings	98,010	0	0	0	98,010
4. Changes Due to Common Policy Changes	(146,871)	(426,858)	(24,594)	227,426	(370,897)
5. SWNPDI-1 IT Staff Consolidation	(53,876)	(194,907)	(63,593)	(22,256)	(334,632)
6. SWNPBA Total Compensation Update	<u>58,075</u>	<u>(54,229)</u>	<u>33,469</u>	<u>45,049</u>	<u>82,364</u>
Total Request	1,789,016	5,449,189	270,975	996,202	8,505,382

The \$98,010 Restore FY 2009-10 savings item is a one-time savings. Staff recommends building back of this item. However, given that the Committee has not made a decision on this common policy line item, and the fact that changes to the indirect cost calculation may necessitate further adjustments to the line and funding splits, staff recommends that the Committee allow staff to make the necessary adjustments once all decisions on common policies and indirect cost rates have been finalized.

Short-term Disability

The table below shows the current request submitted by the Department. Staff notes that funding for this line item is pending a Committee common policy decision.

Summary of Request– Executive Director's Office					
Short-term Disability — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2009-10 Appropriation	24,972	87,566	5,459	9,933	127,930
2. FY 2009-10 Supplemental Bill	(1,395)	(2,646)	(296)	(387)	(4,724)
3. Restore FY 2009-10 Furlough	923	2,646	173	387	4,129
4. Changes Due to Common Policy Changes	4,735	5,174	676	6,212	16,797
5. SWNPDI-1 IT Staff Consolidation	(1,214)	(3,919)	(1,995)	(261)	(7,389)
6. SWNPBA Total Compensation Update	<u>200</u>	<u>62</u>	<u>294</u>	<u>643</u>	<u>1,199</u>
Total Request	28,221	88,883	4,311	16,527	137,942

The Committee approved a common policy for Short-term Disability based on a rate of 0.155 percent and FY 2008-09 Department base salaries for full and part-time employees. Based on that policy, staff calculation is for \$136,273 total funds including \$27,893 General Fund, \$90,407 cash funds, \$6,931 reappropriated funds, and \$11,041 federal funds. However, given the fact that the Committee has not made decisions on numerous items that may impact this line item, staff recommends that the line item be left pending and that the Committee allow staff to make the necessary adjustments once all decisions impacting this line item have been finalized by the Committee.

S.B. 04-257 Amortization Equalization Distribution

The table below shows the current request submitted by the Department. Staff notes that funding for this line item is pending a Committee common policy decision.

Summary of Request– Executive Director's Office					
S.B. 04-257 Amortization Equalization Distribution — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2009-10 Appropriation	379,109	1,179,346	90,658	155,511	1,804,624
2. FY 2009-10 Supplemental Bill	(18,374)	(35,179)	(3,874)	(5,140)	(62,567)
3. Restore FY 2009-10 Furlough	12,280	35,179	2,288	5,140	54,887
4. Changes Due to Common Policy Changes	79,665	256,628	4,010	94,494	434,797
5. SWNPDI-1 IT Staff Consolidation	(18,799)	(60,679)	(30,883)	(4,041)	(114,402)
6. SWNPBA Total Compensation Update	<u>3,082</u>	<u>955</u>	<u>4,565</u>	<u>9,943</u>	<u>18,545</u>
Total Request	436,963	1,376,250	66,764	255,907	2,135,884

The Committee approved a common policy for AED based on a rate of 2.2 percent for calendar year 2010 and 2.6 percent for calendar year 2011, except that General Fund line items are to be calculated based on a split of seven and five months due to the pay date shift predicament. The common policy further specified that the AED amount is to be calculate on base salaries for full and part-time employees and any shift as applicable based on FY 2008-09 actual.

Based on the above described policy, staff calculation is for \$2,104,036 total funds including \$425,896 General Fund, \$1,399,852 cash funds, \$107,326 reappropriated funds, and \$170,962 federal funds. However, given the fact that the Committee has not made decisions on

numerous items that may impact this line item, staff recommends that the line item be left pending and that the Committee allow staff to make the necessary adjustments once all decisions impacting this line item have been finalized by the Committee.

S.B. 06-235 Supplemental Amortization Equalization Distribution

The table below shows the current request submitted by the Department. Staff notes that funding for this line item is pending a Committee common policy decision.

Summary of Request– Executive Director's Office					
S.B. 06-235 Supplemental Amortization Equalization Distribution — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2009-10 Appropriation	232,927	737,091	56,661	97,195	1,123,874
2. FY 2009-10 Supplemental Bill	(11,483)	(21,986)	(2,421)	(3,385)	(39,275)
3. Restore FY 2009-10 Furlough	7,674	21,986	1,430	3,385	34,475
4. Changes Due to Common Policy Changes	100,964	309,983	12,204	85,100	508,251
5. SWNPDI-1 IT Staff Consolidation	(13,707)	(44,245)	(22,519)	(2,947)	(83,418)
6. SWNPBA Total Compensation Update	<u>2,245</u>	<u>687</u>	<u>3,327</u>	<u>7,251</u>	<u>13,510</u>
Total Request	318,620	1,003,516	48,682	186,599	1,557,417

The Committee approved a common policy for SAED based on a rate of 1.5 percent for calendar year 2010 and 2.0 percent for calendar year 2011, except that General Fund line items are to be calculated based on a split of seven and five months due to the pay date shift predicament. The common policy further specified that the SAED amount is to be calculate on base salaries for full and part-time employees and any shift as applicable based on FY 2008-09 actual.

Based on the above described policy, staff calculation is for \$1,531,068 total funds including \$307,425 General Fund, \$1,020,725 cash funds, \$78,258 reappropriated funds, and \$124,660 federal funds. However, given the fact that the Committee has not made decisions on numerous items that may impact this line item, staff recommends that the line item be left pending and that the Committee allow staff to make the necessary adjustments once all decisions impacting this line item have been finalized by the Committee.

Salary Survey and Senior Executive Service

Staff recommends no funding for salary survey for FY 2010-11 pursuant to Committee common policy.

Performance-based Pay Awards

Staff recommends no funding for performance pay for FY 2010-11 pursuant to Committee common policy.

Shift Differential

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Shift Differential — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2009-10 Appropriation	2,297	7,504	0	0	9,801
2. Changes Due to Common Policy Changes	<u>2,509</u>	<u>12,464</u>	<u>0</u>	<u>0</u>	<u>14,973</u>
Total Request	4,806	19,968	0	0	24,774

The Committee approved a common policy for shift differential based on funding at 80.0 percent of FY 2008-09 actual expenditures. For FY 2008-09, the Department shows actual expenditures of \$19,373 including \$5,812 General Fund. Staff notes that agencies regularly over-expend their appropriation for shift differential as agencies spend other personal services dollars appropriated to other line items on shift differential. **Staff does not recommend the Department's request. Based on Committee common policy, staff recommends funding this line item at \$15,499 including \$4,650 General Fund and \$10,849 cash funds.**

Workers' Compensation

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Workers' Compensation — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2009-10 Appropriation	237,867	1,527,916	26,780	5,712	1,798,275
2. FY 2009-10 Supplemental Bill	(13,290)	(85,369)	(1,496)	(319)	(100,474)
3. Changes Due to Common Policy Changes	<u>106,968</u>	<u>45,150</u>	<u>1,870</u>	<u>25,501</u>	<u>179,489</u>
Total Request	331,545	1,487,697	27,154	30,894	1,877,290

Staff recommendation is **pending the approval of a common policy by the Committee** related to Workers' Compensation.

Operating Expenses

Staff recommends an appropriation of \$1,250,284 for this line item (see the following table). Staff notes that if there are any changes to the common policy on mail equipment upgrade in the Department of Personnel, staff will adjust the funding accordingly. Staff shows the total appropriation amount for the Operating Expenses line item assuming that there are no further changes to the mail equipment request.

Summary of Recommendation – Executive Director's Office Operating Expenses — Department of Natural Resources				
	CF	RF	FF	Total
1. FY 2009-10 Appropriation	1,060,977	185,639	5,337	1,251,953
2. FY 2009-10 Supplemental Bill	0	(1,528)	0	(1,528)
3. SWNPDI Annualize Mail Equipment Upgrade Supplemental	0	500	0	500
4. SWNPDI Annualize Postage Increase Mail Equipment Upgrade	0	(670)	0	(670)
5. SWNPBA Mail Equipment	0	29	0	29
Total Recommendation	1,060,977	183,970	5,337	1,250,284
Potential Adjustment for Change in Indirect Costs	<u>TBD</u>	<u>TBD</u>	<u>0</u>	<u>0</u>
Final Recommendation	TBD	TBD	5,337	1,250,284

Legal Services

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Legal Services — Department of Natural Resources						
	GF	CF	RF	FF	Total	Legal Hours
1. FY 2009-10 Appropriation	826,302	2,397,049	39,348	50,403	3,313,102	43,952
2. FY 2009-10 Supplemental Bill	0	70,706	0	0	70,706	938
3. Annualization of FY 10 Funding Increase for CWCB Instream Flow Program	0	39,198	0	0	39,198	520
4. Changes Due to Common Policy Changes	<u>10,116</u>	<u>(10,125)</u>	<u>0</u>	<u>9</u>	<u>0</u>	<u>0</u>
Total Request	836,418	2,496,828	39,348	50,412	3,423,006	45,410

The table below shows the staff recommendation.

Summary of Recommendation– Executive Director's Office Legal Services — Department of Natural Resources						
	GF	CF	RF	FF	Total	Legal Hours
1. FY 2009-10 Appropriation	826,302	2,397,049	39,348	50,403	3,313,102	43,952
2. FY 2009-10 Supplemental Bill	0	70,706	0	0	70,706	938
3. BA -1 Annualization of FY 10 Funding Increase for CWCB Instream Flow Program	<u>0</u>	<u>39,198</u>	<u>0</u>	<u>0</u>	<u>39,198</u>	<u>520</u>
Total Recommendation	826,302	2,506,953	39,348	50,403	3,423,006	45,410

- **Budget Amendment 1 - Additional Legal Services for Instream Flow Program.** The Colorado Water Conservation Board (CWCB) has submitted a supplemental request for FY

2009-10 for \$70,706 cash funds (CWCB Construction Fund) and a budget amendment for FY 2010-11 for \$109,904 cash funds (CWCB Construction Fund) for Legal Services.

The Department states that the CWCB's need for and use of legal services from the Attorney General's Office has exceeded its annual legal services allocation since FY 2004-05. The Department states that the CWCB has been able to meet its needs in the past through reallocation of DNR agencies' legal services funds, however, the Department states that other divisions within DNR will be using up all of their Legal Services line item allocations in FY 2009-10.

The table below shows the current Legal Services appropriation to the Department split by division.

FY 2009-10 Legal Services for 43,952 hours Appropriation in S.B. 09-259						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Legal Hours
Executive Director's Office	\$39,348	\$0	\$0	\$39,348	\$0	522
Division of Reclamation, Mining, and Safety	497,131	0	446,728	0	50,403	6,595
Geological Survey	1,357	0	1,357	0	0	18
Oil and Gas Conservation Commission	153,097	0	153,097	0	0	2,031
State Board of Land Commissioners	528,263	0	528,263	0	0	7,008
Parks and Outdoor Recreation	294,133	7,062	287,071	0	0	3,902
Colorado Water Conservation Board	358,809	0	358,809	0	0	4,760
Water Resources Division	849,834	819,240	30,594	0	0	11,274
Division of Wildlife	<u>591,130</u>	<u>0</u>	<u>591,130</u>	<u>0</u>	<u>0</u>	<u>7,842</u>
	\$3,313,102	\$826,302	\$2,397,049	\$39,348	\$50,403	43,952

The CWCB holds over 1,800 decreed instream flow (ISF) and natural lake level (NLL) water rights in order to preserve and improve the natural environment of streams and lakes in Colorado. The CWCB is currently party to approximately 198 active water court cases, and is represented by the AG's office in each case. The Department states that with the additional funding, it anticipates to be able to resolve approximately 67 of the 198 cases in FY 2009-10. The remaining 131 cases cannot be resolved immediately because of staff limitations at the CWCB and the AG's Office or because the applicants are not prepared to move forward on their cases at this time.

The CWCB submitted a decision item for FY 2009-10 for 1.5 FTE to work on ISF-related water court matters and acquisitions of water for ISF use. Due to the budget shortfall, this request was not approved. The Department states that coordination between CWCB and AG staff for these cases is

essential. One office cannot move forward without the other and staff shortages in one office affect the speed with which cases can be addressed. The CWCB staff provide input on technical issues related to each case and develop language to include in water court decrees that will protect ISF water rights, while the AG's office is the primary contact with applicants' attorneys, files all water court pleadings with input from CWCB staff, and coordinates with CWCB staff on negotiating language for inclusion in water court decrees.

The Department states that there are new, more stringent deadlines for resolving water disputes under new Water Court Rules enacted on July 1, 2009, as a result of recommendations from the Supreme Court Water Court Committee. The Department states that these rules require faster resolution of water court cases. The new rules apply to only those cases filed after July 1, 2009. The Department states that the full effect of the new rules is not yet known, but the Department is already seeing the initial effects. The Department states that cases filed 6 months ago are being re-referred to the judge and placed on a trial rack.

The Department points to several negative impacts if CWCB staff and their attorneys fall behind in reviewing water court cases and following up on negotiations:

- If the cases are not resolved within one year while before a water court referee, they are likely to be re-referred to the water court judge and placed on a trial rack. Because of trial deadlines and necessary preparation for trial, a case that is before the judge can take twice as many hours to resolve than a case before a water court referee;
- If the agency is unable to provide water court applicants with comments on proposed court rulings can result in the entry of a ruling that does not contain terms and conditions to protect the CWCB's water rights, which may necessitate filing a protest to the ruling, resulting in more costs for both the State and the applicant;
- If the agency is unable to provide water court applicants with comments on proposed court rulings can result in the need for additional meetings and correspondence regarding contested issues.

The delays described above create additional legal work for both CWCB and private water interests. The table below portrays the CWCB's estimated additional legal and professional services costs for each water court case the CWCB is unable to process in a timely manner:

CWCB Estimate of Average Additional Legal and Professional Costs Due to Delayed Water Court Cases			
	Rate per Hour	Additional Hours	Total Cost
CWCB Attorneys	\$75.38	54	\$4,071
CWCB Engineers	45.00	28	1,260
CWCB Legal Protection Specialist	45.00	28	1,260
Applicant Attorneys	285.00	54	15,390
Applicant Consulting Engineers	225.00	25	5,625

CWCB Estimate of Average Additional Legal and Professional Costs Due to Delayed Water Court Cases			
	Rate per Hour	Additional Hours	Total Cost
Total Cost			\$27,606

Due to the new Water Court Rules enacted July 1, 2009, the CWCB estimates that it could potentially not process 35 water court cases in a timely manner. At a total cost of \$27,606 per case, the CWCB estimates \$966,210 in additional costs to state agencies (CWCB and AG's office) as well as private interests.

Staff recommends the Committee provide funding for budget amendment 1 in the amount of 1,458 additional legal services hours to be used by the Colorado Water Conservation Board.

Staff does not recommend the request to refinance cash funds with General Fund titled "Changes Due to Common Policy Changes".

The staff recommendation of 45,410 hours for this line item is **pending the approval of a legal services rate by the Committee. The current dollar amount is based on the FY 2009-10 blended legal rate of \$75.38/hour and is for illustration purposes only.**

Administrative Law Judge Services

The Department did not have an appropriation for Administrative Law Judge Services in FY 2009-10. Potential staff recommendation for this line is **pending the approval of a common policy by the Committee** related to Administrative Law Judge Services.

Purchase of Services from Computer Center

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Purchase of Service from Computer Center — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2009-10 Appropriation	6,879	510,203	169,480	0	686,562
2. FY 2009-10 Supplemental Bill	(396)	(29,398)	(9,765)	0	(39,559)
3. Changes Due to Common Policy Changes	3,843	275,893	91,685	0	371,421
4. SWNPDI-1 IT Staff Consolidation	<u>839,439</u>	<u>2,360,619</u>	<u>809,174</u>	<u>97,841</u>	<u>4,107,073</u>
Total Request	849,765	3,117,317	1,060,574	97,841	5,125,497

The staff recommendation is **pending the approval of a common policy by the Committee** related to Purchase of Services from Computer Center.

Multiuse Network Payments

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Multiuse Network Payments — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2009-10 Appropriation	211,928	782,309	59,340	5,311	1,058,888
2. Changes Due to Common Policy Changes	70,609	165,195	19,237	6,853	261,894
3. SWNPDI-1 IT Staff Consolidation	<u>26,114</u>	<u>341,094</u>	<u>392,753</u>	<u>97,841</u>	<u>857,802</u>
Total Request	308,651	1,288,598	471,330	110,005	2,178,584

The staff recommendation is **pending the approval of a common policy by the Committee** related to Multiuse Network Payments.

Management and Administration of OIT

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Management and Administration of OIT — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2009-10 Appropriation	50,164	171,985	9,948	5,537	237,634
2. FY 2009-10 Supplemental Bill	(7,111)	(24,382)	(1,410)	(784)	(33,687)
3. Annualization of OIT FY 10 Reduction	7,111	24,382	1,410	784	33,687
4. Changes Due to Common Policy Changes	(7,655)	2,790	(1,005)	292	(5,578)
5. SWNPDI-1 IT Staff Consolidation	<u>0</u>	<u>111,085</u>	<u>197,641</u>	<u>0</u>	<u>308,726</u>
Total Request	42,509	285,860	206,584	5,829	540,782

The staff recommendation is **pending the approval of a common policy by the Committee** related to Management and Administration of OIT.

Payment to Risk Management and Property Funds

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Payment to Risk Management and Property Funds — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2009-10 Appropriation	92,559	929,996	2,895	799	1,026,249
2. FY 2009-10 Supplemental Bill	47,940	(133,531)	17,430	5,732	(62,429)
3. Annualization of FY 10 Correct Risk Funding Methodology	(54,138)	77,548	(17,624)	(5,786)	0
4. Changes Due to Common Policy Changes	<u>(23,107)</u>	<u>(598,125)</u>	<u>7,348</u>	<u>5,301</u>	<u>(608,583)</u>
Total Request	63,254	275,888	10,049	6,046	355,237

The staff recommendation is **pending the approval of a common policy by the Committee** related to the Payment to Risk Management and Property Funds line item.

Vehicle Lease Payments

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Vehicle Lease Payments — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2009-10 Appropriation	393,903	2,542,381	0	61,095	2,997,379
2. FY 2009-10 Supplemental Bill	18,574	108,244	0	(3,802)	123,016
3. Annualization of FY 10 SWNPS Annual Fleet Vehicle Replacement	(18,574)	(108,244)	0	3,802	(123,016)
4. SWNPDI-2 Vehicle Replacements	9,521	194,667	0	(16,910)	187,278
5. SWNPBA Vehicle Replacements	<u>19,546</u>	<u>162,567</u>	<u>0</u>	<u>13,111</u>	<u>195,224</u>
Total Request	422,970	2,899,615	0	57,296	3,379,881

This line item funds the lease-purchase and management fees of vehicles primarily utilized by the Division of Parks and Outdoor Recreation, the Water Resources Division, and the Division of Wildlife. IT is staff's understanding that for FY 2010-11, the Department of Personnel's State Fleet program is requesting the replacement of 178 vehicles statewide including 20 Department of Natural Resources Vehicles.

Replacement Vehicles. In prior years, JBC staff had been instructed to review any requested replacement vehicles and determine if the odometer of the vehicles will have reached 100,000 miles by March 2011. Staff has not yet received any instructions on this line item. Staff notes that staff recommendation on the requested 20 vehicle replacements is pending Committee common policy for replacement of vehicles.

New Vehicles. Staff notes that the Department has not requested any new vehicles for FY 2010-11.

The recommended funding level and the funding sources are pending the approval of a common policy by the Committee for Vehicle Lease Payments.

Information Technology Asset Maintenance

Staff recommends the Department's total continuation request of \$282,477, which is comprised of \$53,746 General Fund, \$125,957 cash funds, \$90,538 reappropriated funds, and \$12,236 federal funds. This line item supports ordinary computer and telecommunications equipment purchases and replacement costs including software maintenance, personal computers, phone-line access charges and other hardware.

Leased Space

The table below shows the current request submitted by the Department.

Leased Space					
Line Item	Request				
	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total
FY 2009-10 Appropriation	543,969	709,620	0	23,455	1,277,044
FY 2009-10 Supplemental Bill	(37,070)	(24,318)	0	2,487	(58,901)
FY 2009-10 Annualize Supplemental Bill	37,070	24,318	0	(2,487)	58,901
DI-1 Leased Space Adjustments	(19,573)	48,694	0	2,919	32,040
BA-2 Leased Space Adjustments	<u>0</u>	<u>2,400</u>	<u>0</u>	<u>0</u>	<u>2,400</u>
Total	524,396	760,714	0	26,374	1,311,484
Total Change	(19,573)	51,094	0	2,919	34,440

The table below shows the Department request for leased space broken down by division.

Department of Natural Resources - Leased Space			
	FY 2009-10 Appropriation	FY 2010-11 Request	Difference
	Total by Division	Total by Division	
Reclamation, Mining, and Safety	62,000	63,321	1,321
Geological Survey	12,600	16,557	3,957
Oil & Gas Commission	312,977	319,448	6,471
State Land Board	41,246	39,748	(1,498)
Division of Parks	42,589	36,600	(5,989)
Water Conservation	65,221	128,820	63,599
Water Resources	517,258	536,614	19,356
Wildlife	164,252	170,376	6,124
TOTAL	\$1,218,143	\$1,311,484	\$93,341
General Fund	506,899	524,396	17,497
Cash Funds	685,302	760,714	75,412
Reappropriated Funds	0	0	0
Federal Funds	25,942	26,374	432

- **Decision Item 1; S-3/BA - Leased Space Adjustments.** The Department submitted a supplemental request for FY 2009-10 with various adjustments to leased space. The Department also submitted decision item 1 and a budget amendment with supplemental 3 to adjust the leased space line item for FY 2010-11. As a general rule, Departments are required to submit change requests for any changes related to leased space, including inflationary factors due re-signing of leased space contracts. This request attempts to reconcile all of the department's leased space needs for FY 2010-11.

The Department has approximately 48 leases across the state totaling approximately 105,000 square feet. Additionally, the Department states that it leases 43 parking spaces.

FY 2009-10 Appropriation	\$1,277,044
Reflect CWCB Leases in Long Bill	63,599
CGS Lease in Marble, CO	2,400
Transfer Lease from CGS Operating to EDO, Leased Space	1,557
H.B. 08-1395	(28,853)
Lease Renewals for FY 2010-11	(4,263)
FY 2010-11 Request/Recommendation	\$1,311,484

- ✓ **Reflect CWCB Leases in Long Bill** - The Colorado Water Conservation Board has approximately 48 employees split between two office locations in Denver. At its Logan Street office location, the CWCB has office space for employees from the Interbasin Compact / Intrastate Water Management and Development, Water Information, Flood Protection, the Water Supply Planning and Finance Sections, and the Water Resource Information Center (WRIC). The Department states that for funding purposes, the office space can be grouped into three categories: (1) general operations employees, (2) Water Supply Planning and Finance employees, and (3) Water Resource Information Center (WRIC) employees.

The Department states that currently, the CWCB space is being funded approximately 50 percent from the Leased Space line item (CWCB Construction Fund) and 50 percent from sources not appropriated to the Leased Space line item. The Department states that in order to increase transparency, it is requesting the appropriation for the CWCB to be increased by \$63,599.

Each of the three subgroups is funded by a separate stream of funding. The general operations employees are funded by the CWCB Construction Fund, finance employees are funded by a loan origination fee established in Section 37-60-119 (2), C.R.S., and the WRIC

has its own funding provided through the years as described in the next paragraph. The Department states that it needs to increase the appropriation by \$63,599 and re-allocate funding sources by having: \$79,732 come from the CWCB Construction Fund, \$29,088 from the current 1.0 percent origination fee on loans, and \$18,000 from WRIC resources.

The WRIC refers to a physical, and more recently a virtual, collection of water related records. No staff are paid out of funds designated for the Center. The WRIC was established pursuant to H.B. 93-1273 using \$60,000 CWCB Construction Fund. The Center was originally located in the Allison building (1275 Sherman Street) and its operations were supported by operating funds within the Colorado Water Conservation Board. In 1996, \$15,000 CWCB Construction Fund was authorized in S.B. 96-153 (Section 8). During FY 2001-02, the WRIC was relocated to the CWCB new Logan Street location. In S.B. 05-084 (Section 8), the Board was appropriated an additional \$275,000 for document imaging and space. In S.B. 09-125 (Section 13), the Board was appropriated \$550,000 CWCB Construction Fund to continue the operation of a consolidated water resources information center.

- ✓ **CGS Lease in Marble, CO** - The Department submitted a budget amendment to increase its initial leased space request by \$2,400 cash funds. The Colorado Geological Survey has an avalanche forecaster located in Marble, Colorado. This forecaster has an office in the lessor's building totaling approximately 200 square feet. The Division requested that the lessor sign a lease agreement in 2007 before any payments could be made. After repeated attempts to get a lease agreement signed, the Division finally made progress in November of 2009. It is anticipated that this office space will be under a lease agreement prior to July 2010.
- ✓ **Transfer Lease from CGS Operating to EDO, Leased Space** - The State Archives had previously informed the Colorado Geological Survey that they will no longer accept records from them. Therefore, the Survey started renting cold storage space to store records and some equipment. The Department states that approximately 70 percent of the cost from this space is paid in the Leased Space line and 30 percent is paid from operating funds. In order to more accurately and appropriately reflect expenditures, the Department is requesting a net-zero transfer of \$1,557 cash funds (Operational Account of the Severance Tax Trust Fund and fees for geological services) from the Environmental Geology and Geological Hazards line to the Leased Space line item in the EDO.
- ✓ **H.B. 08-1395** - This bill created a property tax exemption for certain property leased by governmental entities that use the property for governmental purposes. The Department states that this exemption reduced the Department's payments on nearly all of its leases. As a result, various lease rates are being reduced by a total of \$28,853.
- ✓ **Lease Renewals for FY 2010-11** - These are reductions to ten leases that are being renewed in the Division of Wildlife (5 leases), Division of Water Resources (4 leases), and Division

of Reclamation Mining and Safety (DRMS). The Department states that although nearly all the leases will be renewed at a lower rate than was appropriated in FY 2009-10, the Department states that these leases will have escalators in the out years which will increase the cost of each lease between 3.0 percent and 10.0 percent, or an average of 5.45 percent.

Staff recommends the Committee approve the Department's request.

Capitol Complex Leased Space

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Capitol Complex Leased Space — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2009-10 Appropriation	242,746	357,653	172,397	106,323	879,119
2. FY 2009-10 Supplemental Bill	(3,272)	(4,821)	(2,324)	(1,433)	(11,850)
3. Changes Due to Common Policies	<u>3,269</u>	<u>(15,447)</u>	<u>(3,113)</u>	<u>(581)</u>	<u>(15,872)</u>
Total Request	242,743	337,385	166,960	104,309	851,397

Funding splits for this line item are pending the approval of a Capitol Complex Leased Space rate by the Committee. The Department's space within the Capitol Complex Facilities for FY 2010-11 is comprised of 69,107 square feet at 1313 Sherman Street as summarized below.

Department of Natural Resources - Capitol Complex Leased Space									
	FY 2009-10 Appropriation			FY 2010-11 Request			FY 2010-11 Recommendation		
	Sq. Ft.	Rate	Total	Sq. Ft.	Rate	Total	Sq. Ft.	Rate	Total
Executive Director	13,552	\$12.72	\$ 172,396	13,552	\$12.32	\$ 166,961	13,552	TBD	TBD
Mining, Reclam., & Safety	13,682	\$12.72	174,051	13,682	\$12.32	168,562	13,682	TBD	TBD
Geological Survey	6,808	\$12.72	86,606	6,808	\$12.32	83,875	6,808	TBD	TBD
State Land Board	0	\$12.72	0	0	\$12.32	0	0	TBD	TBD
Division of Parks	12,635	\$12.72	160,731	12,635	\$12.32	155,663	12,635	TBD	TBD
Water Conservation	5,178	\$12.72	65,870	5,178	\$12.32	63,793	5,178	TBD	TBD
Water Resources	17,252	\$12.72	219,465	17,252	\$12.32	212,543	17,252	TBD	TBD
TOTAL	69,107		\$879,119	69,107		\$851,397	69,107		Pending
General Fund			242,746			242,743			Pending
Cash Funds			357,653			337,385			Pending
Reappropriated Funds			172,397			166,960			Pending
Federal Funds			106,323			104,309			Pending

* Numbers may not add due to rounding.

Communications Services Payments

The table below shows the current request submitted by the Department.

Summary of Request– Executive Director's Office Communications Services Payments — Department of Natural Resources					
	GF	CF	RF	FF	Total
1. FY 2009-10 Appropriation	117,207	871,031	0	0	988,238
2. Changes Due to Common Policies	<u>(2,899)</u>	<u>7,564</u>	<u>0</u>	<u>0</u>	<u>4,665</u>
Total Request	114,308	878,595	0	0	992,903

The staff recommendation for this line item is pending the approval of a common policy by the Committee related to Communications Services Payments.

(B) EPA Wetlands Grant

In FY 2006-07, this line item was included in the Long Bill to reflect the Department's estimate of \$364,605 in federal funds related to this program, which funds a variety of wetlands studies and protection efforts. Funding is received from the U.S. Environmental Protection Agency under the Clean Water Act Section 104 (B) (3) Program, also referred to as the "Wetlands Protection Program". The Department does not estimate receiving federal funds in FY 2010-11 for this purpose.

The Committee does not need to take action on this item.

(C) H.B. 06-1311 (Species Conservation Trust Fund) – CF

This line item in the JBC staff numbers pages reflects appropriations made pursuant to legislation in the 2006 session. House Bill 06-1311 appropriated funds from the species conservation trust fund for programs submitted by the Executive Director of the Department of Natural Resources that are designed to conserve native species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species as determined by the United States fish and wildlife service.

For FY 2005-06, the bill transferred \$4.0 million from the Operational Account of the Severance Tax Trust Fund. Of this amount, \$2.0 million was transferred to the capital account of the Species Conservation Trust Fund, and \$2.0 million was transferred to the Operations and Maintenance Account of the Species Conservation Trust Fund.

For fiscal year 2006-07, the bill transferred \$8.8 million from the Operational Account of the Severance Tax Trust Fund. Of this amount, \$4.4 million was transferred to the capital account of the Species Conservation Trust Fund, and \$4.4 million was transferred to the operations and maintenance account of the Species Conservation Trust Fund.

The Committee does not need to take action on this item.

(D) H.B. 07-1182 (Species Conservation Trust Fund) – CF

The bill authorized the transfer of various amounts from the Operational Account of the Severance Tax Trust Fund to the Species Conservation Trust Fund, as well as specific expenditures for FY 2007-08.

The Committee does not need to take action on this item.

S.B. 08-168 (Species Conservation Trust Fund) – CF

The bill authorized the transfer of various amounts from the operational account of the Severance Tax Trust Fund to the Species Conservation Trust Fund (SCTF), as well as authorizing specific expenditures for FY 2008-09.

The Committee does not need to take action on this item.

H.B. 09-1289 (Species Conservation Trust Fund) – CF

appropriates money from both the operation and maintenance account and the capital account of the Species Conservation Trust Fund for programs submitted by the executive director of the Department of Natural Resources. These programs are designed to conserve native species listed as threatened or endangered under state or federal law, are candidate species, or are likely to become candidate species as determined by the United States Fish and Wildlife Service.

The Committee does not need to take action on this issue.

(6) PARKS AND OUTDOOR RECREATION

The Division of Parks and Outdoor Recreation manages 42 established parks and various recreation programs throughout Colorado. Management responsibilities include oversight of park development up through and including ongoing operations for established parks. Costs for the former are reflected in the capital construction budget, while the latter are appropriated through the Department's Long Bill operating budget. Special purpose programs support other recreational activities and resources, including trails, natural areas, boat safety, and the licensing of river outfitters. Historically, cash fee revenues have comprised the bulk of the operating budget for State Park Operations, which includes both costs for new and established parks. Over the last six fiscal years, this ratio has increased significantly. The majority of revenues have typically been provided through the collection of fees deposited into the Parks and Outdoor Recreation Cash Fund. However, this excludes special purpose programs, which are appropriated through separate line items.

Fee Setting Authority. Before the adoption of H.B. 00-1261 and S.B. 03-290, most of the Division's fees were set in statute, thereby reducing flexibility to generate revenue without legislative approval. House Bill 00-1261 authorized the Parks Board to adjust all fees - with the exception of the Aspen Leaf and Columbine Passes - at a rate commensurate with allowable TABOR increases. Senate Bill 03-290 gave the Parks Board additional flexibility to set fees, with JBC oversight, and also established a \$200,000 revolving "enterprise" fund. This fee setting authority was set to sunset on July 1, 2007. H.B. 07-1316 extended the sunset to July 1, 2012.

Increase to Entrance Fee. The Colorado State Parks board increased the daily pass fee from \$5 to \$6. This fee increase was implemented between September 2007 and April 2008.

History of General Fund Reductions and Refinancing in State Parks Operations. Prior to FY 2001-02, the general rule-of-thumb was that Division funding was comprised of 30.0 percent General Fund and 70 percent cash funds. Following years of General Fund revenue shortfalls, this balance has been reduced to approximately 16.0 percent General Fund. Despite the decrease in the amount of General Fund, refinancing through cash funds has allowed the Division's overall expenditures to increase.

General Fund Reductions. Direct and indirect General Fund appropriations provided to the Division of Parks and Outdoor Recreation since FY 2002-03 have fluctuated between \$4.6 million and \$7.0 million. The Parks and Outdoor Recreation Division incurred substantial General Fund reductions during FY 2002-03 supplementals, which were then annualized in the FY 2003-04 Long Bill. As part of an FTE Initiative beginning in FY 2001-02, the Division's operating budget was increased by \$1.2 million cash funds and provided additional FTE slots to increase staffing in State Parks. However, in response to the General Fund revenue shortfall, the Parks and Outdoor Recreation Division was reduced by \$1.2 million General Fund in FY 2002-03 and FY 2003-04 and the additional cash funds generated were used to instead refinance General Fund expenditures. While this change also eliminated 25.9 FTE, no staff lost their jobs because of the way this reduction was managed through staff turnover.

The table below shows historical General Fund expenditures in State Parks Operations:

State Parks Operations General Fund Expenditures					
	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Request
Parks Operating Line	2,723,011	5,466,161	5,614,271	3,852,230	3,804,643
Potted Items	<u>3,574,071</u>	<u>1,190,830</u>	<u>1,387,677</u>	<u>931,332</u>	<u>988,129</u>
Total General Fund	\$6,297,082	\$6,656,991	\$7,001,948	\$4,783,562	\$4,792,772
<i>Change from Prior Year</i>	<i>NA</i>	<i>5.72%</i>	<i>5.18%</i>	<i>(31.68)%</i>	<i>0.19%</i>
Total Parks Operations Funding	\$25,453,994	\$27,154,357	\$29,028,621	\$28,770,248	\$29,846,288
<i>General Fund Percent of Total</i>	<i>24.74%</i>	<i>24.52%</i>	<i>24.12%</i>	<i>16.63%</i>	<i>16.06%</i>

* The numbers above were compiled from information submitted with the Department's budget request.

For FY 2009-10, due to the General Fund revenue shortfall, Parks was cut approximately \$2.2 million General Fund, including approximately \$1.9 million General Fund in the State Parks Operations line item and approximately \$300,000 in potted items (difference between FY 2008-09 actual General Fund expenditures and FY 2009-10 Department estimate).

In response to reductions in funding, Parks staff presented the following proposal to address the FY 2009-10 shortfall to the State Parks Board at a July meeting:

State Parks Revenue Increase Initiative for FY 2009-10	
Increase Revenue:	
Increase Camping Fees	194,000
Increase Aspen Leaf Camping Fees (Seniors)	11,000
Increase Camping Reservation Fees	56,000
Increase Boat Registration Fees	361,000
Transfer Lottery Funds into Operating Budget	<u>750,000</u>
Total Revenue Increase	\$1,372,000

State Parks Expenditure Reductions Initiative for FY 2009-10	
Expenditure Reductions:	
Programmatic Reductions	644,000
Suspend IT Development Projects	41,000

State Parks Expenditure Reductions Initiative for FY 2009-10	
Reduce Temporary Workforce by 10.0 percent	363,000
Operating Reductions	<u>539,000</u>
Total Expenditure Reductions	\$1,587,000

S.B. 08-13 increased severance tax dollars appropriated to state parks. S.B. 08-13 changed the way discretionary moneys from the Operation Account are allocated by the Department's Executive Director. The bill reduced the allowable shares for the Oil and Gas Conservation Commission (from 45 percent to 40 percent) and the Division of Reclamation, Mining and Safety (from 30 percent to 25 percent), and established allocations of up to 5 percent for the division of Parks and Outdoor Recreation and the Division of Wildlife. Within State Parks, the bill allows expenditure of funds to operate, maintain, or improve state parks in regions of the state where production activity is occurring. While current law caps the share of the account that may be allocated to each of these agencies, in reality, agency appropriations are far below the cap levels. Based on current law and Legislative Council Staff December 2009 forecast of Severance Tax Revenue, for FY 2009-10, State Parks share is 1.5 percent of total Operational Account revenues.

For FY 2008-09, S.B. 08-13 appropriated \$1.9 million to State Parks, \$1.2 million to cover 33 percent of the operating losses at 17 state parks located in areas impacted by energy development and \$750,000 for a boat ramp at Nighthorse Reservoir. for FY 2009-10, the General Assembly appropriated \$1.3 million in ongoing expenses to cover 32 percent of the total operating losses. The bill states that the funding shall not supplant moneys that would otherwise be made available for such programs.

H.B. 10-1326 Concerning an Increase to Severance Tax Allocations to State Parks. As part of the Governor's FY 2009-10 budget balancing proposal, State Parks submitted a legislative request to increase the allowable allocations from the Operational Account of the Severance Tax Trust Fund to State Parks from 5.0 percent to 10.0 percent and to refinance \$2,147,415 General Fund in FY 2009-10 with Severance Tax dollars. The Committee is sponsoring a bill as part of the FY 2009-10 balancing package to implement this request.

State Auditor Report on Parks Use of Lottery Proceeds

Two of the Division of Parks and Outdoor Recreation June 2008 Audit Report findings were that Division management does not have complete or accurate information on the condition of its existing assets or its future capital needs, the other finding was that the Division has invested considerable lottery moneys for capital development purposes, and has limited its investment of lottery moneys for park operations.

Maintenance and renovation. In the spring of 2007, a list of projects related to health and safety and protection of facilities and resources was compiled by park managers, engineers, landscape architects, project managers, and region managers from each of the Division's three regions. The list

identified a total of nearly \$150.7 million in projects related to health and safety and protection of facilities and resources, including new capital assets and repair or replacement of existing capital assets. This list does not include a list of remaining projects including projects related to improving and building roads and dams, acquiring land, and developing new parks. According to the state audit, because a number of individuals from different parks and regions were involved in compiling the list, additional analysis will be needed to ensure that all projects were identified, and that projects were identified using consistent criteria.

The audit points that without a comprehensive review of the condition and needs of capital assets, the Division cannot plan effectively for the acquisition of new assets or the protection, maintenance, or improvement of current assets. The Division has committed to developing a capital development project five-year plan that will include a comprehensive capital asset program inventory and accurate assessment of the condition of structures and facilities. The Department expects completing a comprehensive financial plan by the end of calendar year 2010. In addition, at the November 12, 2009, update that Parks employees provided to the Legislative Audit Committee, Parks stated that they have completed 75 percent of the audit recommendations.

FY 2010-11 State Parks Budget.

The table below shows the staff recommendation for the division of Parks and Outdoor Recreation for FY 2010-11. Staff notes that the recommendation includes several pending items that the Committee has not taken action on yet. Staff will adjust these items depending on Committee action.:

Category	GF	CF	RF	FF	Total	FTE
(6) Parks and Outdoor Recreation						
Current Appropriation	\$3,866,992	\$31,233,217	\$0	\$1,028,156	\$36,128,365	294.5
H.B. 10-1309 FY 2009-10 Supplemental (Has Not Been Signed Into Law)	(\$14,762)	(\$95,475)	\$0	\$3,685	(\$106,552)	0.0
Increase Lottery Funds to State Parks Operations	0	750,000	0	0	750,000	0.0
Restore FY 2010 Personal Services Cut	65,362	365,277	0	8,094	438,733	0.0
Restore FY 2010 Furlough	8,374	68,352	0	(3,685)	73,041	0.0
Indirect Costs Adjustments	0	51,317	0	6,555	57,872	0.0
Annualize FY 2010 SWNPS&BA: Postage Increase and Mail Equipment Upgrade (PENDING)	<u>(2,152)</u>	<u>(9,138)</u>	<u>0</u>	<u>0</u>	<u>(11,290)</u>	<u>0.0</u>
Parks and Outdoor Recreation Base Recommendation	3,923,814	32,363,550	0	1,042,805	37,330,169	294.5

Category	GF	CF	RF	FF	Total	FTE
Decision Item 4: State Parks Capital Line Item Consolidation and Capital Reorganization	0	6,750,000	0	1,350,000	8,100,000	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. Impact for PERA Adjustment (PENDING)	1,530	8,031	0	0	9,561	0.0
SWNPBA: Mail Equipment Supplemental and Budget Amendment (PENDING)	355	1,509	0	0	1,864	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation (PENDING)	(68,294)	(358,534)	0	0	(426,828)	(5.0)
SWNPBA: PERA Adjustment	(51,232)	(305,116)	0	0	(356,348)	0.0
Non-prioritized Statewide Decision Item 2: Annual Fleet Vehicle Replacements (PENDING)	<u>0</u>	<u>(16,788)</u>	<u>0</u>	<u>0</u>	<u>(16,788)</u>	<u>0.0</u>
(6) Parks and Outdoor Recreation Total Recommendation	\$3,806,173	\$38,442,652	\$0	\$2,392,805	\$44,641,630	289.5
Change	(\$60,819)	\$7,209,435	\$0	\$1,364,649	\$8,513,265	(5.0)
Percent Change	-1.6%	23.1%	n/a	132.7%	23.6%	-1.7%

(A) State Park Operations

State Park Operations Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management	9.4	10.0	10.0	10.0
Administration	60.8	60.4	60.4	60.4
Accounting and Financial Services	6.0	8.0	8.0	8.0
Information Technology	5.0	5.0	0.0	0.0
Park Managers	117.1	129.7	129.7	129.7
Engineers and Technicians	53.2	62.5	62.5	62.5
Other Professions	<u>12.8</u>	<u>18.9</u>	<u>18.9</u>	<u>18.9</u>
Total	264.3	294.5	289.5	289.5

- State Parks Board Decision to Increase Lottery Allocations to State Parks Operations.**
 Staff notes that for FY 2009-10, the General Assembly reduced General Fund appropriations to State Park Operations line item by \$1.9 million and to potted items by \$300,000. A State Auditor report from 2008 had suggested that Parks had arbitrarily capped Lottery allocations to State Park Operations at \$506,000. Among other recommendations, the audit reported that the Division spends a significant portion of its lottery funding for capital construction and improvement projects (79 percent of a total of \$57.3 million received for fiscal years 2003 through 2007) without a corresponding consideration of how lottery funding will be used for the short- and long-term operating costs at these same lottery-funded parks. The Division has committed to developing a capital development project five-year plan that will include a comprehensive capital asset program inventory and accurate assessment of the condition of structures and facilities. The Department expects completing a comprehensive financial plan by the end of calendar year 2010. The Department has committed to track expenditures by Park and fund source going forward as well as attempting to obtain such records for historical years. Finally, the Department has committed to including operating costs of new capital investments in the Parks' operating budget.

As a result of the 2008 audit report, the Parks Board made a decision to increase Lottery allocations to the State Park Operations line item by \$750,000. With this request, the letternote in State Park Operations line item will include \$1,255,806. Staff notes that the Department did not provide an analysis of how the \$750,000 in additional lottery funding was calculated. As such, staff has no tools to analyze the Department's request.

Recommendation. Staff recommendations regarding the "State Parks Operations" line item are presented in the table below. Staff calculated the personal services items using Committee approved personal services common policies.

Summary of Recommendation – Division of Parks & Outdoor Recreation State Park Operations — Department of Natural Resources					
	GF	CF	FF	Total	FTE
Personal Services (Estimate)	3,093,594	15,807,169	437,295	19,338,058	260.7
Operating Expense (Estimate)	<u>773,398</u>	<u>3,951,792</u>	<u>0</u>	<u>4,725,190</u>	—
FY 2009-10 Appropriation	3,866,992	19,758,961	437,295	24,063,248	260.7
Increase Lottery Funds to State Parks Operations	0	750,000	0	750,000	0.0
Restore FY 2010 Personal Services Cut	65,362	365,277	8,094	438,733	0.0
Restore FY 2010 Furlough	8,374	52,548	(8,094)	52,828	0.0
FY 2009-10 Supplemental	(14,762)	(73,305)	8,094	(79,973)	0.0
Annualize FY 2010 SWNPS&BA: Postage Increase and Mail Equipment Upgrade (PENDING)	<u>(2,152)</u>	<u>(6,993)</u>	<u>0</u>	<u>(9,145)</u>	<u>0.0</u>
Continuation Estimate	3,923,814	20,846,488	445,389	25,215,691	260.7

Summary of Recommendation – Division of Parks & Outdoor Recreation State Park Operations — Department of Natural Resources					
	GF	CF	FF	Total	FTE
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. Impact for PERA Adjustment (PENDING)	1,530	8,031	0	9,561	0.0
Non-prioritized Statewide Decision Item 2: Annual Fleet Vehicle Replacements (PENDING)	355	1,155	0	1,510	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation (PENDING)	(68,294)	(358,534)	0	(426,828)	(5.0)
SWNPBA: PERA Adjustment	(51,232)	(290,312)	0	(341,544)	0.0
Total Recommendation	3,806,173	20,206,828	445,389	24,458,390	255.7

(B) Great Outdoors Colorado (GOCO) Board Grants

The following line items are reflected in the Long Bill for informational purposes only. These grants are moneys approved by the members of the Great Outdoors Colorado (GOCO) Board and are not appropriated by the General Assembly. The GOCO program was established in Article XXVII of the Colorado Constitution. In the past, the GOCO Board has approved annual funding for State Parks in December for the fiscal year beginning the following July. Starting with the FY 2010-11 budget, the GOCO Board will not approve the Parks annual budget until March.

Lottery Proceeds are allocated as follows:

Allocation of Lottery Proceeds	
Conservation Trust Fund	40.0%
Colorado State Parks	10.0%
GOCO Trust Fund (Up to 50.0 percent, capped at \$35.0 million in 1992 dollars adjusted for inflation)	Up to 50.0%
Moneys over the GOCO Cap are allocated to the General Fund	Various Amounts

The Colorado Constitution requires GOCO to allocate its proceeds substantially equally over time to four areas:

- (I) Wildlife - Investment in the wildlife resources of Colorado through the Division of Wildlife;
- (II) Outdoor Recreation - Investment in the outdoor recreation resources of Colorado through the Division of Parks and Outdoor Recreation;
- (III) Open Space - Competitive grants to the to the Divisions of Parks and Wildlife, and to counties, municipalities or other political subdivisions of the state, or non-profit land conservation organizations;

(IV) Local Governments - Competitive matching grants to local governments or other entities to acquire, develop, or manage open lands and parks.

Land and Water Protection

The Division of Parks and Outdoor Recreation anticipates lottery proceeds of \$709,000 for this line item. Two FTE are utilized to manage these dollars used for park improvements, buffer acquisitions, vegetation management, and the maintenance of geographic information systems (GIS).

Operations and Maintenance

The Division of Parks and Outdoor Recreation anticipates lottery proceeds of \$1,969,000 for this line item. The 14.5 FTE anticipated for FY 2010-11 are utilized to manage these dollars and to work in new park facilities supported by GOCO Board grants.

Statewide Programs

The Division of Parks and Outdoor Recreation anticipates lottery proceeds of \$1,657,000 for this line item. The 6.0 FTE anticipated for FY 2010-11 are utilized to manage funds or to supervise programs related to marketing, volunteers, and the Colorado Youth Corps.

(6) PARKS AND OUTDOOR RECREATION

(C) Special Purpose

These are programs that have a dedicated funding source outside of the Parks and Outdoor Recreation Cash Fund or are related to federal programs that do not directly pertain to the operations of the Colorado park system.

Snowmobile Program

This line item funds the administrative costs for registration, as well as the establishment and maintenance of trails, related facilities, and trail maps. The source of funds is the Snowmobile Recreation Fund established pursuant to Section 33-14-106, C.R.S. Fees from the registration of snowmobiles are credited to this fund.

Staff Recommendation. Staff recommends the Department's request for \$1,002,305 and 1.3 FTE. Staff notes that the decision for the Postage Increase and Mail Equipment Upgrade request is pending Committee action during figure setting for the Department of Personnel.

Summary of Recommendation – (6) Parks & Outdoor Recreation (C) Special Purpose; Snowmobile Program — Department of Natural Resources		
	Cash Funds	FTE
Personal Services (estimate)	253,765	1.3
Operating Expense (estimate)	753,236	—
FY 2009-10 Appropriation	1,007,001	1.3
Restore FY 2009-10 Furlough	1,479	—
FY 2009-10 Supplemental Bill	(3,815)	

Summary of Recommendation – (6) Parks & Outdoor Recreation (C) Special Purpose; Snowmobile Program — Department of Natural Resources		
	Cash Funds	FTE
Annualize FY 2010 SWNPS&BA: Postage Increase and Mail Equipment Upgrade (PENDING)	(787)	—
Continuation Estimate	1,003,878	1.3
SWNPBA: Mail Equipment (PENDING)	130	—
SWNPBA: PERA Adjustment	(1,703)	—
Total Recommendation	1,002,305	1.3

River Outfitters Regulation

Staff recommends the Department's request for a continuation appropriation of \$74,466 cash funds for this program. This line item funds the administrative costs of licensing and regulating commercial river outfitters to ensure both industry integrity and the safety of passengers. The source of funds is the River Outfitters Cash Fund established pursuant to Section 33-32-111, C.R.S. Registration and licensing fee revenue from river outfitters is credited to this fund.

Off-Highway Vehicle Program

Staff recommends the Department's request for \$393,130 cash funds and 3.0 FTE for this program. This line item funds improvements to motorized recreation areas, as well as the responsible use of off-highway vehicles. The source of funds is the Off-Highway Vehicle Recreation Fund established pursuant to Section 33-14.5-106 (1), C.R.S. Fees for the registration of off-highway vehicles are credited to this fund. Staff notes that the decision for the Postage Increase and Mail Equipment Upgrade request is pending Committee action during figure setting for the Department of Personnel.

Summary of Recommendation – (6) Parks & Outdoor Recreation (C) Special Purpose; Off-highway Vehicle Program — Department of Natural Resources		
	Cash Funds	FTE
Personal Services (estimate)	228,586	3.0
Operating Expense (estimate)	173,638	—
FY 2009-10 Appropriation	402,224	3.0
Restore FY 2009-10 Furlough	3,818	—
FY 2009-10 Supplemental Bill	(7,848)	—
Annualize FY 2010 SWNPS&BA: Postage Increase and Mail Equipment Upgrade (PENDING)	(1,358)	—
Continuation Estimate	396,836	3.0
SWNPBA: Mail Equipment (PENDING)	224	—
SWNPBA: PERA Adjustment	(3,930)	—
Total Recommendation	393,130	3.0

Federal Grants

The Department anticipates the receipt of \$518,516 federal funds in FY 2010-11 related to this line item, which reflects a grant from the United States Coast Guard to fund a portion of the requirements of the federal Boat Safety Act. These moneys are shown for informational purposes only. One-half of this money is distributed to local governments and the other half funds state-sponsored projects. The Parks Board evaluates the proposals and distributes these dollars.

Summary of Recommendation – (6) Parks & Outdoor Recreation (C) Special Purpose; Federal Grants — Department of Natural Resources	
	Federal Funds
FY 2009-10 Appropriation	518,516
Restore FY 2009-10 Furlough	4,409
FY 2009-10 Supplemental Bill	(4,409)
Total Recommendation	518,516

S.B. 03-290 Enterprise Fund

Staff recommends the Department's continuation request of \$200,000 cash funds (reserves in the Parks and Outdoor Recreation Cash Fund) for this line item. This line item appropriates money into the Stores Revolving Fund, which was established pursuant to S.B. 03-290. This fund is used for the acquisition of warehousing stock and distributing supplies for retail sales to park visitors. At the end of every fiscal year, any fund balance exceeding two hundred thousand dollars reverts back to the Parks and Outdoor Recreation Cash Fund.

Information Technology Initiatives supported by State Lottery Proceeds. The following four line items are included in the Division's Long Bill section for informational purposes only, which are funded from lottery proceeds. Prior to FY 2005-06, these projects would have been reflected in the Department's capital construction budget.

System Operations and Support

Staff recommends the request for State Lottery proceeds of \$735,000 cash funds to be included in the Long Bill for informational purposes only. These dollars support various business systems, such as the automated record keeping system, law enforcement, volunteer administration, and revenue systems.

Connectivity at State Parks

Staff recommends the request for State Lottery proceeds of \$370,000 cash funds to be included in the Long Bill for informational purposes only. This line item aims to fund adequate bandwidth capability for Colorado's state parks, which covers both internal and external connectivity. This includes the central Parks office, and the Department's offices at 1313 Sherman Street, as well as various locations within individual parks such as entrance stations, camper services facilities, and outdoor recreation officers.

Asset Management

Staff recommends the request for State Lottery proceeds of \$300,000 cash funds to be included in the Long Bill for informational purposes only. This line item funds annual replacement of computers and other information technology equipment previously funded through the 'Major Repairs and Minor Improvements' line item in the Department's capital construction budget.

Voice Over Internet Protocol

During FY 2008-09 figure setting staff recommended the request for elimination in State Lottery proceeds of \$175,000 cash funds for the voice over internet protocol line. The Committee does not need to take action on this line. These dollars were used by the Division of Parks and Outdoor Recreation to switch its existing phone systems to voice-over internet protocol (VOIP). This is a project that aims to achieve long-term savings as a result of reduced long distance charges and lower maintenance costs. Staff notes that the FY 2007-08 long bill contained Footnote 106, which directed the Division to provide the JBC with a status report on the deployment of the Voice Over Internet Protocol (VOIP) System. The report was due by June 30, 2008. The Department submitted a report on December 16, 2009. The report provides statistics that show the Department saved a cumulative \$80,015 in FY 2007-08 and FY 2008-09 as a result of implementation of VoIP.

Law Enforcement Equipment

This line item was created during FY 2008-09 in order to fund the regular replacement of state parks ranger equipment. The calculation is based on providing uniforms to 126 rangers each year at a cost of \$75,600, fully equipping 10 new rangers each year due to turnover at a cost of \$34,680, and replacing 25 body armor vests each year at a cost of \$16,500. **Staff recommends the Department's request for continuation funding of \$126,780 in Lottery proceeds.**

NEW LONG BILL LINE ITEMS REQUEST

- ***Decision Item 4 - State Parks Capital Line Item Consolidation and Capital Reorganization.*** The Division of Parks and Outdoor Recreation (Decision Item 4) and the Division of Wildlife (Decision Item 3) are proposing to re-organize the capital construction budgets and move part of their re-organized capital construction line items into the operating side of the budget. With Decision Item 4, the Division of Parks and Outdoor Recreation is proposing to re-organize its capital construction long bill group and move \$8,100,000 into four new long bill line items under the Parks operating budget.

The Division of Parks and Outdoor Recreation's FY 2010-11 capital submission consolidates 13 ongoing projects into 3 new project titles. Additionally, the division is requesting that several projects formerly included in the capital budget be included in its operating budget, provided that the Joint Budget Committee approves a footnote permitting three years to spend the project appropriations. The table on the following page presents the consolidation and reorganization at State Parks:

FY 10-11 State Parks Proposed Capital Line Item Consolidation and Capital Reorganization

TRADITIONAL LINE ITEM TITLES	PROPOSED LINE ITEM TITLES *						
	OPERATING				CAPITAL CONSTRUCTION		
	NATURAL RESOURCE PROTECTION	MISCELLANEOUS SMALL PROJECTS	TRAILS GRANTS	OFF-HIGHWAY VEHICLE GRANTS	LAND AND WATER ACQUISITIONS	NEW PARK DEVELOPMENT	PARK INFRASTRUCTURE AND FACILITIES
AUTOMATED ENTRANCES							X
CORPS COST SHARE IMPROVEMENTS							X
ENERGY EFFICIENCY AND GREENING							X
FUELS MITIGATION	\$600,000						
IMPROVEMENTS TO LAKE PUEBLO STATE PARK							X
MAJOR REPAIRS, MINOR RECREATION IMPROVEMENTS		\$2,000,000					X
OFF-HIGHWAY VEHICLE PROGRAM GRANTS AND MINOR NEW CONSTRUCTION AND RENOVATION				\$3,000,000			
PARK FACILITIES							X
PARK IMPROVEMENTS AND BUFFER ACQUISITIONS					X		
PARK INFRASTRUCTURE IMPROVEMENTS							X
STATE TRAILS GRANT PROGRAM			\$2,500,000				
STAUNTON STATE PARK						X	
WATER ACQUISITIONS/LEASE OPTIONS AND DAM REPAIRS					X		X
TOTAL REQUEST FY 2010-11			\$8,100,000			\$16,962,549	

As the table above shows, the request would re-classify four line items from the capital construction budget and move them to the operating budget. The total requested move is for \$8,100,000 (\$3,000,000 Off-Highway Vehicle Fund; \$2,150,000 from the 10.0 percent Parks direct lottery distribution; \$1,600,000 GOCO; and \$1,350,000 federal funds).

The requested new operating budget line items are:

"NATURAL RESOURCE PROTECTION" \$600,000 (\$150,000 GOCO and \$450,000 federal funds from FEMA). This line item will contain fuel mitigation projects which involve improving the resilience of state parks areas to recover from wildfires by cutting and removing diseased timber and removing brush. The Department states that the work performed would not amount to "site improvements" in the context of the capital construction definition contained in Section 24-75-301, C.R.S.

"MISCELLANEOUS SMALL PROJECTS" \$2,000,000 lottery funds. This line item will address projects that are for the most part under \$50,000 and are more maintenance in nature. The Department states that this new line item will be considered the Division of Parks internal controlled maintenance program. Typical miscellaneous small projects will include weed spraying, roof repairs, shoreline stabilization, repairs to water and sewer lines, road and parking lot repairs, picnic table replacement, upgrades to utility systems, renovation or replacement of vault and flush toilets, landscaping, and the installation of signs and interpretive kiosks.

"TRAILS GRANTS" \$2,500,000 (\$1,450,000 GOCO, 900,000 federal funds, and \$150,000 lottery funds). This program provides technical assistance and training on trail design, development, and maintenance to agencies, communities, and non-profit groups statewide. The program coordinates with agencies and communities on trails and greenways as part of plans for development, rivers, transportation, and utility corridors, recreation, and habitat protection. The specific projects are dependent on the grants submitted, but typically consist of trail maintenance, construction and signage. Grants are made to third parties, the work does not result in a physical asset owned by the state.

"OFF-HIGHWAY VEHICLE GRANTS" \$3,000,000 Off-Highway Vehicle Recreation Fund. The OHV grant program provides an on-going source of funding for federal, state and local government agencies and non-profit user groups to construct and maintain off-highway vehicle trails, trail heads, parking areas, signage and maps. Grant funds are provided through off-highway vehicle registration fees.

The Department states that the Off-Highway Vehicle Grants request is contingent on the General Assembly approving a footnote that authorizes three year spending authority in order to allow the Division enough time to select grant recipients and to account for weather events that may extend the project completion time to more than a year. If the footnote is not

approved, the Division would prefer to keep the funding for these projects within the capital construction budget.

Staff recommendation for the narrative of the footnote is shown below:

"Department of Natural Resources, Parks and Outdoor Recreation, Special Purpose, Off-highway Vehicle Grants - It is the intent of the General Assembly that the appropriation to this line item remain available until the completion of the project or the close of FY 2012-13, whichever comes first. At project completion or the end of FY 2012-13, any unexpended amount shall revert to the Off-highway Vehicle Recreation Fund established pursuant to Section 33-14.5-106 (1), C.R.S."

Staff analysis

The definition of "Capital Construction" in Section 24-75-301 (1), C.R.S., reads:

(1) "Capital construction" means:

(a) Purchase of land, regardless of the value thereof;

(b) Purchase, construction, or demolition of buildings or other physical facilities, including utilities and state highways or remodeling or renovation of existing buildings or other physical facilities, including utilities and state highways to make physical changes necessitated by changes in the program, to meet standards required by applicable codes, to correct other conditions hazardous to the health and safety of persons which are not covered by codes, to effect conservation of energy resources, to effect cost savings for staffing, operations, or maintenance of the facility, or to improve appearance;

(c) Site improvement or development;

(d) Purchase and installation of the fixed and movable equipment necessary for the operation of new, remodeled, or renovated buildings and other physical facilities and for the conduct of programs initially housed therein upon completion of the new construction, remodeling, or renovation;

(e) Purchase of the services of architects, engineers, and other consultants to prepare plans, program documents, life-cycle cost studies, energy analyses, and other studies associated with any capital construction project and to supervise construction or execution of such capital construction projects;

(f) Any item of instructional or scientific equipment if the cost will exceed fifty thousand dollars.

The definition of "Capital outlay" in Section 24-75-112 (1)(a)(I), C.R.S., reads:

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

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

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

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

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

(II) "Capital outlay" does not include those things defined as capital construction by section 24-75-301 (1).

The Division believes that there are projects currently in the capital construction section of the budget that are more on-going and operating in nature. These projects are fuel mitigation projects, trails grants, and small equipment maintenance and repair projects. The Department states that none of these projects involves the purchase of land, purchase, construction or demolition of buildings, fixed or movable equipment in conjunction with a new, remodeled or renovated building, or site development.

The Department refers to Section 24-75-112 (1) (a) ((I) (D), C.R.S., that defines "Capital Outlay" as "Nonstructural improvements to land, meaning, the grading, leveling, drainage, irrigation, and landscaping thereof and the construction of roadways, fences, ditches, and sanitary and storm sewers."

Based on the definition above, the Department believes that there are projects currently in the capital construction section of the budget that are more on-going and operating in nature. These projects, as described above, are fuel mitigation projects, trails grants, and small equipment maintenance and repair projects. The Department states that none of these projects involves the purchase of land, purchase, construction or demolition of buildings, fixed or movable equipment in conjunction with a new, remodeled or renovated building, or site development. The Department further states that the current capital construction line items (13 in number) are overlapping, ambiguous, confusing and have changed from year to year. The Department argues that this confusion leads to inflexibility For example, currently there is one line item for park infrastructure and one for roads. Some projects may involve a combination of roads and structures (such as

building a new entrance station which also requires a spur road). The Department states that under the current structure, some may argue that such a project would need to be split in tow and funded out of two different line items.

Staff recommends that the Committee approve this Department request to include four new line items in the FY 2010-11 operating budget as described above. Staff also recommends including a footnote for the Off-highway Vehicle Grants line item as described above.

S.B. 08-226 Aquatic Nuisance Species

S.B. 08-226 established aquatic nuisance species laws to prevent, control, contain, monitor, and eradicate aquatic nuisance species, both wildlife and plants, from state waters. Among other things, the bill created the Divisions of Parks and Outdoor Recreation Aquatic Nuisance Species Fund and the Division of Wildlife Aquatic Nuisance Species Fund. The bill transfers moneys from the Tier 2 Operational Account of the Severance Tax Trust Fund. In FY 2008-09 the bill transferred \$5,956,636, including appropriating \$3,289,392 and 7.0 FTE to Parks. In FY 2009-10, the bill transferred \$4,006,005, including \$2,701,461 to Parks. In FY 2010-11, the bill transfers \$4,006,005, including \$2,701,461 to Parks.

Staff recommends the Committee approve the Department request for \$2,675,502 cash funds (Operational Account) and 7.0 FTE.

Summary of Recommendation – (6) Parks & Outdoor Recreation (C) Special Purpose; S.B. 08-226 Aquatic Nuisance Species — Department of Natural Resources		
	Cash Funds	FTE
Personal Services (estimate)	1,947,754	7.0
Operating Expense (estimate)	753,707	—
FY 2009-10 Appropriation	2,701,461	7.0
Restore FY 2009-10 Furlough	10,507	—
FY 2009-10 Supplemental Bill	(10,507)	—
Continuation Estimate	2,701,461	7.0
SWNPDI-2: Vehicle Replacements (PENDING)	(16,788)	—
SWNPBA: PERA Adjustment	<u>(9,171)</u>	—
Total Recommendation	2,675,502	7.0

Indirect Cost Assessment

Staff does not recommend the Department's request for \$1,300,511 for the purpose of indirect cost recoveries. Staff recommended a new indirect cost methodology during the discussion for the Executive Director's Office above. Based on staff recommendation in the EDO, staff recommends a total indirect cost assessment to State Parks of \$1,352,541, including \$1,273,641 cash funds (Parks Cash Fund and Operational Account, funding splits are pending) and \$78,900 federal funds. This appropriation will be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. After the

JBC's figure setting decisions have been made, JBC staff will work with the Department to determine whether any revisions to the indirect cost plan will be required. If changes in indirect cost recoveries are necessary, staff will present them to the JBC for final approval prior to the introduction of the Long Bill.

(7) COLORADO WATER CONSERVATION BOARD

Funding for the Division's administration was variably supported with some General Fund subsidy in the 1990s until FY 2000-01 (when the General Fund covered up to half of administrative costs). Since FY 2001-02, all of the CWCB administrative costs have been funded with cash funds from the Colorado Water Conservation Board Construction Fund and other cash sources. This financing requirement means that the Construction Fund must support non-renewing expenditures of the Division from its loan repayments proceeds, leaving less money available for loans and grants for water projects around the state. In addition, the General Assembly transferred \$10,250,000 from the CWCB Construction Fund into the General Fund as part of budget balancing for FY 2008-09. The Joint Budget Committee voted to sponsor legislation to potentially transfer \$25,000,000 from the CWCB Construction Fund into the General Fund for FY 2009-10 as part of budget balancing.

The Division's special purpose programs are generally supported by specific cash funds sources mandated or authorized in statute, and/or federal funds. The cost-share is calculated on any remaining costs after other fund sources, such as the Operational Account of the Severance Tax Trust Fund and other cash funds are largely accounted for. Fund splits shown in this document are based on staff recommendation; staff will adjust fund splits accordingly based on Committee action. Special purpose programs in subsection (B) are generally supported by specific cash funds sources mandated or authorized in statute, and/or federal funds.

Pursuant to Section 37-60-119 (2), C.R.S., the Colorado Water Conservation Board (CWCB) is authorized to receive, on a continuously appropriated basis, between zero and seven percent of its loans as origination fees, currently the CWCB Board is using a 1.0 percent origination fee on the loans (as origination fees/charges) for "supplemental operational expenditures" (per H.B. 04-1221). Thus, in addition to the Long Bill appropriation, the CWCB received continuous spending authority for its administrative costs of 1.0 percent of its loan origination costs. As such, the CWCB spending is equal to the Long Bill administration appropriation plus the continuous appropriations which occur outside of the Long Bill.

The table below shows the staff appropriations recommendation for the Colorado Water Conservation Board for FY 2010-11. Staff notes that the recommendation includes several pending items that the Committee has not taken action on yet. Staff will adjust these items depending on Committee action.:

Category	GF	CF	RF	FF	Total	FTE
(7) Colorado Water Conservation Board Current Appropriation	\$0	\$13,884,909	\$296,027	\$141,368	\$14,322,304	47.7
Restore FY2009-10 Furlough	\$0	\$65,081	\$0	\$4,394	\$69,475	0.0
Restore FY 2010 Personal Services Cut	0	55,210	0	0	55,210	0.0
Indirect Costs Adjustments	0	29,164	0	(387)	28,777	0.0

Category	GF	CF	RF	FF	Total	FTE
Annualize H.B. 09-1129 Precipitation Harvesting Pilot Projects	0	680	0	0	680	0.0
Annualize S.B. 09-125 Colorado Water Conservation Board Projects	0	(5,530,000)	0	0	(5,530,000)	0.0
H.B. 10-1309 FY 2009-10 Supplemental Bill (Has Not Been Signed Into Law)	0	(65,582)	0	(4,394)	(69,976)	0.0
Annualize FY 2010 SWNPS&BA: Postage Increase and Mail Equipment Upgrade (PENDING)	0	(169)	0	0	(169)	0.0
Colorado Water Conservation Board Base Recommendation	0	8,439,293	296,027	140,981	8,876,301	47.7
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. Impact for PERA Adjustment (PENDING)	0	3,747	0	0	3,747	0.0
SWNPBA: Mail Equipment Supplemental and Budget Amendment (PENDING)	0	28	0	0	28	0.0
JBC Staff Initiated Reduction to Interbasin Compacts	0	(400,000)	0	0	(400,000)	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation	0	(167,268)	0	0	(167,268)	(2.0)
SWNPBA: PERA Adjustment	0	(76,862)	0	(1,625)	(78,487)	0.0
JBC Staff Initiated Reduction to H.B. 05-1254 Water Efficiency Grant Program	0	(50,029)	0	0	(50,029)	(1.0)
(7) Colorado Water Conservation Board Total Recommendation	\$0	\$7,748,909	\$296,027	\$139,356	\$8,184,292	44.7
Change	\$0	(\$6,136,000)	\$0	(\$2,012)	(\$6,138,012)	(3.0)
Percent Change	n/a	-44.2%	0.0%	-1.4%	-42.9%	-6.3%

(7) Water Conservation Board Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Director / Deputy	2.0	2.0	2.0	2.0
Administration	4.9	5.0	5.0	5.0
Water Supply Protection	6.1	7.0	7.0	7.0
Water Supply Planning and Finance	7.0	7.0	6.0	6.0
Office of Water Conservation	2.8	5.0	5.0	5.0
Flood Protection	6.0	6.0	6.0	6.0
Interbasin Compacts (Includes Intrastate Water Mgmt. & Dev.)	3.0	3.7	3.7	3.7
Stream and Lake Protection	5.8	7.0	7.0	7.0
Water Information	<u>5.0</u>	<u>5.0</u>	<u>4.0</u>	<u>4.0</u>
Total	42.6	47.7	45.7	45.7

(A) Administration

Personal Services

The Department requests an appropriation of \$2,901,474 total funds and 30.0 FTE.

Staff recommendation is based on the table below. The recommendation includes \$296,027 in reappropriated funds to be received from the Wildlife Cash Fund. The remainder of the calculation is based on Committee common policy.

Summary of Recommendation – (7) Colorado Water Conservation Board Personal Services — Department of Natural Resources				
	Cash Funds	Reappropriated Funds	Total	FTE
FY 2009-10 Appropriation	2,685,896	296,027	2,981,923	31.0
FY 2009-10 Supplemental Bill	(37,031)	0	(37,031)	0.0
Restore FY 2010 Personal Services Cut	55,210	0	55,210	0.0
Restore FY 2010 Furlough	37,031	0	37,031	0.0
Continuation Estimate	2,741,106	296,027	3,037,133	31.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. Impact for PERA Adjustment (PENDING)	1,743	0	1,743	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation (PENDING)	(77,796)	0	(77,796)	(1.0)
SWNPBA: PERA Adjustment	<u>(57,863)</u>	<u>0</u>	<u>(57,863)</u>	<u>0.0</u>
Total Recommendation	2,607,190	296,027	2,903,217	30.0

Operating Expenses

Staff recommends the Committee approve \$95,035 cash funds from the Operational Account.

Summary of Recommendation – (7) Colorado Water Conservation Board Operating Expenses — Department of Natural Resources	
	Cash Funds
FY 2009-10 Appropriation	95,677
FY 2009-10 Supplemental Bill	(501)
Annualize FY 2010 SWNPS&BA: Postage Increase and Mail Equipment Upgrade (PENDING)	(169)
SWNPBA: Mail Equipment Supplemental and Budget Amendment (PENDING)	<u>28</u>
Total Recommendation	95,035

Interstate Compacts

Funding from the Interstate Compacts line item helps the CWCB to maintain the State's ability to utilize and develop its entitlements under interstate compacts and equitable apportionment decrees in accordance with state water law. Pursuant to statute, both the Colorado Water Conservation Board and the Division of Water Resources participate in various capacities in interstate water compacts and related associations. The interstate organizations were established to promote communication between state and federal agencies, in support of compact agreements.

<u>Division</u>	<u>Area</u>
Colorado Water Conservation Board	Upper Colorado River Arkansas River Colorado River Basin Salinity Control
Division of Water Resources	South Platte River Republican River Rio Grande River Costilla Creek Animas-LaPlata LaPlata River

* State Engineer (Division of Water Resources) administers all of the water covered by the compacts.

Staff recommends \$350,071 cash funds (CWCB Construction Fund).

Western States Water Council Dues

This line item supports Colorado's membership in this multi-state organization which meets quarterly on national water policy and federal regulations impacting the water interests of western states. The Western States Water Council is a subgroup of the Western Governor's Association. The Council discusses and advises on water policy issues (state and federal), testifies before Congress on federal regulations and issues affecting western states, and shares information on

litigation in other states. **Staff recommends the request for an appropriation of \$27,500 total funds in FY 2010-11.**

Summary of Recommendation – (7) Colorado Water Conservation Board Western States Water Council Dues — Department of Natural Resources	
	Cash Funds
FY 2009-10 Appropriation	<u>27,500</u>
Total Recommendation	27,500

River Decision Support Systems

The River Decision Support System (RDSS) consists of databases and models that facilitate decision making related to interstate compacts, water resource planning, and water rights administration, through use of historic data and geographic information system data to support Colorado's Decision Support System (CDSS). The CDSS are water management systems being developed by the CWCB and the Division of Water Resources (DWR) for each of Colorado's major water basins. The goals of CDSS are:

- Develop accurate, user-friendly databases that are helpful in the administration and allocation of water of the State of Colorado;
- provide data, tools, and models to evaluate alternative water administration strategies, which can maximize utilization of available resources in all types of hydrologic conditions;
- be a functional system that can be used by decision makers and be maintained and upgraded by the State;
- promote information sharing among government agencies and water users.

Use and maintenance of the CDSS is a joint effort of the CWCB and DWR. The two agencies work closely together. The DWR is responsible for all CDSS data collection, database work development, and operation of all CDSS administration tools. The CWCB is the State's primary water resource planning agency and therefore, is responsible for the development and operation of that portion of the CDSS. The Water Information Section was formed in 2007 to focus on the water information needs of the CWCB. In general, the section is responsible for supporting the CWCB with IT, water information, GIS, and decision support system in general.

Staff recommendation for this line item is \$453,165 (CWCB Construction Fund) and 4.0 FTE and is calculated using Committee common policy and is shown in the table below.

Summary of Recommendation – (7) Colorado Water Conservation Board River Decision Support Systems — Department of Natural Resources		
	Cash Funds	FTE
Personal Services Estimate	441,730	5.0
Operating Expense Estimate	<u>109,810</u>	<u>0.0</u>
FY 2009-10 Appropriation	551,540	5.0
FY 2009-10 Supplemental Bill	(14,982)	0.0

Summary of Recommendation – (7) Colorado Water Conservation Board River Decision Support Systems — Department of Natural Resources		
	Cash Funds	FTE
Restore FY 2010 Furlough	<u>14,982</u>	<u>0.0</u>
Continuation Estimate	551,540	5.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. Impact for PERA Adjustment (PENDING)	2,004	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation (PENDING)	(89,472)	(1.0)
SWNPBA: PERA Adjustment	<u>(10,907)</u>	<u>0.0</u>
Total Recommendation	453,165	4.0

(B) Special Purpose

Intrastate Water Management and Development

This line item was added to the Long Bill in the 2006 session with the approval of the Department's decision item for a Statewide Water Supply Initiative (SWSI). This line provides the Colorado Water Conservation Board with funding for an on-going basin by basin analysis associated with the SWSI. The overall objective of the SWSI is to help Colorado maintain an adequate water supply for its citizens and the environment.

In 2006, the funding was recommended in a separate line item, and it was anticipated that it would be required for the next few years. Funding was approved in the Long Bill rather than the annual (water) Projects bill, because of the on-going nature of the operational funding need.

The SWSI preliminary report indicated that there may be substantial water shortages by 2030. The program is tasked to acquire and provide broad technical expertise in water use, water availability, water rights, water supply infrastructure design and costing, as well as for facilitation and meeting coordination. Work is being completed to address both tracking and supporting projects and processes slated to meet 80.0 percent of Colorado's 2030 water needs, and to develop alternatives to meet the unmet 20.0 percent gap between supply and water need.

In 2006, to help address Colorado's future water needs, the General Assembly passed S.B. 06-179, which established the Water Supply Reserve Account (WSRA). The WSRA is intended to help Coloradans identify and meet their critical water supply needs. The WSRA receives transfers up to \$10.0 million from the Operational Account of the Severance Tax Trust Fund. Monies from the WSRA may be used to identify water supply needs in each river basin, evaluate available water supplies in each basin, build projects or implement other solutions to meet water supply needs in each of Colorado's river basins.

The WSRA is administered by the Intrastate Water Management and Development section of the Colorado Water Conservation Board in collaboration with the Interbasin Compact Committee (IBCC) and the nine Basin Roundtables established under H.B. 05-1177 (Section 37-75-104, C.R.S.). Requests for funding begin at the Basin Roundtables and are subsequently forwarded to

the CWCB.

Staff recommends an appropriation of \$470,464 cash funds (Colorado Water Conservation Board Construction Fund) for continuing work on the SWSI project.

Federal Emergency Management Assistance

This federally-funded program provides flood plain mapping and flood prevention services. In FY 2005-06, the CWCB requested and was provided an increase (\$99,248) to receive FEMA moneys for flood plain mapping and flood prevention services. **Staff recommends \$144,147 (\$13,593 CWCB Construction Fund and \$130,554 federal funds) and 2.0 FTE funding for FY 2010-11.**

Summary of Recommendation – (7) Colorado Water Conservation Board Federal Emergency Management Assistance — Department of Natural Resources				
	Cash Funds	Federal Funds	Total Funds	FTE
FY 2009-10 Appropriation	13,941	132,179	146,120	2.0
FY 2009-10 Supplemental Bill	0	(4,394)	(4,394)	0.0
Restore FY 2010 Furlough	<u>0</u>	<u>4,394</u>	<u>4,394</u>	<u>0.0</u>
Continuation Estimate	13,941	132,179	146,120	2.0
SWNPBA: PERA Adjustment	<u>(348)</u>	<u>(1,625)</u>	<u>(1,973)</u>	<u>0.0</u>
Total Recommendation	13,593	130,554	144,147	2.0

Weather Modification

Sections 36-20-101 through 127, C.R.S., authorize the Department to regulate weather modification activities. Cash funds support the line item, through a portion of a minimum \$100 fee charged for a weather modification permit. If the operation is a commercial project, Section 36-20-113, C.R.S. provides that the fee shall be sufficient to pay the direct costs of the review of the permit application. Division staff report this is typically 2.0 percent unless waived by the Director.

This line item reflects costs incurred in administering activities such as cloud seeding for agricultural lands. These regulatory functions include: conducting required public hearings, evaluating annual reports from operators, revising permits as necessary, and evaluation of the environmental and public safety impact of the permit requests. In FY 2004-05, spending for this line item was increased to accommodate a large number of new winter cloud seeding operations. Weather modification programs provide benefits to various industries that affect the Colorado economy. Additional snow pack created by cloud seeding can extend the ski season and can increase stream flow for rafting, boating, fishing and wildlife. The FY 2010-11 request is for a continuing level of \$25,000.

Staff recommends the Division's request for \$25,000 cash funds. The cash funding is from permit fees authorized pursuant to Section 36-20-113 (1), C.R.S.

Water Conservation Program

Section 37-60-124, C.R.S. established the Office of Water Conservation to promote water use efficiency and authorizes the program's support from the Water Conservation Board Construction Fund. This line item funds the costs of administering municipal and agricultural grants and the provision of technical assistance pursuant to statute. **Staff recommendation is for \$283,777 cash funds (CWCB Construction Fund) and 4.0 FTE.**

Summary of Recommendation– (7) Colorado Water Conservation Board Water Conservation Program — Department of Natural Resources		
	Cash Funds	FTE
Personal Services Estimate	234,442	4.0
Operating Expense Estimate	<u>53,880</u>	—
FY 2009-10 Appropriation	288,322	4.0
FY 2010 Supplemental Bill	(9,608)	0.0
Restore FY 2010 Furlough	9,608	0.0
Annualize H.B. 09-1129 Captured Precipitation Pilot	<u>680</u>	<u>0.0</u>
Continuation Estimate	289,002	4.0
SWNPBA: PERA Adjustment	<u>(5,225)</u>	<u>0.0</u>
Total Recommendation	283,777	4.0

H.B. 05-1254 Water Efficiency Grant Program

House Bill 05-1254 established a domestic water conservation grant program to provide funding over a three-year period to aid in achieving the water efficiency goals outlined in locally adopted water conservation plans and authorized the Colorado Water Conservation Board to distribute the grants in FY 2005-06, FY 2006-07, and FY 2007-08 from moneys appropriated originating from the Operational Account of the Severance Tax Trust Fund. Pursuant to the bill's directive, the State Treasurer transferred \$1,580,000 from the reserve of the Operational Account of the Severance Tax Trust Fund to the Water Efficiency Grant Program Cash Fund to provide funding for water conservation grants. In FY 2005-06, the program received an appropriation of \$544,147 cash funds from the Water Efficiency Grant Program Cash Fund. In FY 2006-07, the program received an appropriation of \$517,280 cash funds from the Water Efficiency Grant Program Cash Fund.

In FY 2007-08, the program received an appropriation of \$517,280 cash funds from the Water Efficiency Grant Program Cash Fund through the Long Bill. In FY 2007-08, S.B. 07-8 made changes to the Water Efficiency Grant Program and appropriated an additional \$82,749 and 1.0 FTE for allocation to the Colorado Water Conservation Board from the Water Efficiency Grant Program cash fund. The fiscal note analysis and JBC staff analysis was that the bill does not require an FTE appropriation. The Department's initial fiscal analysis of the bill also concluded that an FTE appropriation is not required. Only after an FTE was added in the House Agriculture, Livestock, and Natural Resources Committee, did the Department change their fiscal analysis of the bill and stated that they do need additional FTE resources.

S.B. 07-8/H.B. 08-1398 made changes to the Water Efficiency Grant Program. Prior to passage of these bills, program participation was restricted to "covered entities", defined in statute as a municipality, agency, or utility with a legal obligation to provide retail water to a customer base

with a total demand of at least two thousand acre-feet. S.B. 07-8 changed statute to allow any state or local governmental entity that provides water at retail to customers to participate in the Water Efficiency Grant Program. The bill broadens the eligible uses of water efficiency grant monies to include water conservation planning activities. The bill also extended the repeal of the program to July 1, 2012. For FY 2007-08 and FY 2008-09, the bills transferred \$800,000 from the operational account of the Severance Tax Trust Fund to the Water Efficiency Grant Program Cash Fund for funding of grants. On July 1, 2009, an additional \$1.0 million was transferred to the Water Efficiency Grant Program Cash Fund.

S.B. 07-8 also extended for three years the annual appropriation from the Water Efficiency Grant Program Cash Fund of up to \$500,000 to provide grants. It also appropriated an additional \$50,000 annually from this fund, from FY 2008-09 through FY 2011-12, to cover the administrative costs of the program pursuant to Section 37-60-126 (12) (a) (III), C.R.S.:

"(III) For FY 2005-06 through 2010-11 fiscal years, the general assembly shall appropriate from the fund to the board up to five hundred thousand dollars annually for the purpose of providing grants to covered entities, other state and local governmental entities, and agencies in accordance with this subsection (12). Commencing July 1, 2008, the general assembly shall also appropriate from the fund to the board fifty thousand dollars each fiscal year through 2011-12 to cover the costs associated with the administration of the grant program and the requirements of section 37-60-124. Moneys appropriated pursuant to this subparagraph (III) shall remain available until expended or until June 30, 2012, whichever occurs first."

The FY 2009-10 appropriation in the Long Bill was for \$600,029 (Water Efficiency Grant Program Cash Fund) and 1.0 FTE. S.B. 09-125 CWCB Projects Bill (Section 19), reduce the appropriation to the H.B. 05-1254 Water Efficiency Grant Program by \$100,000 cash funds (Water Efficiency Grant Program Cash Fund) and increased the appropriation by \$100,000 CWCB Construction Fund.

Staff notes that the Department has not reported any FTE expenditures related to this line item for FY 2007, 2008, and 2009. The Department did not provide a Position and Object Code Report showing any personal services expenditures for FY 2009. In addition, the Department did not apply the 2.5 percent PERA adjustment calculation to this line item. It is the opinion of JBC staff that statute does not support the funding of an FTE in this line item, as mentioned above, statute is clear that funding for this line item is not to exceed \$550,000 cash funds from the Water Efficiency Grant Program Cash Fund.

For FY 2010-11, staff does not recommend the Department's request. Staff recommends funding of \$550,000 cash funds (Water Efficiency Grant Program Cash Fund) and elimination of 1.0 FTE associated with this line item.

Severance Tax Projects

This line item is used to support short-term projects with funds from the Operational Account of the Severance Tax Trust Fund. The CWCB annually solicits applications for projects to be funded from this line item from agency initiatives and grant requests submitted by other parties. Proposals are forwarded to the state Minerals, Energy, and Geology Policy Advisory Board (MEGA) for review and approval. MEGA Board recommendations are forwarded to the CWCB Board and the DNR Executive Director for review and approval. DNR includes approved projects in its budget request.

The projects include the following types of activities: groundwater studies, production of maps, water conservation facilitation, educational information, water infrastructure development, environmental protection, stream restoration, and flood hazard mitigation. Examples of prior year projects include water supply protection (regional planning, coalbed methane technical studies, groundwater atlas), water conservation planning (drought planning and water education projects), and flood protection program funding (Grand Junction Drainage District master plan, Poudre River floodway improvements, and Fountain Creek watershed plan).

The Committee has included a transfer of \$11,000,000 from the Operational Account to the General Fund as part of its FY 2009-10 General Fund balancing package. Staff notes that the Committee could flag this line item in case of a need for additional FY 2010-11 transfers into the General Fund.

Staff recommends an appropriation of \$1,275,500 cash funds from the Operational Account of the Severance Tax Trust Fund for this line item. The staff recommendation is the same as the Department request.

H.B. 05-1177 Negotiation of Interbasin Compacts

House Bill 05-1177 created nine permanent basin roundtables, one in each of the eight water divisions and one subregion roundtable consisting of the metro area. Each roundtable consists of representatives of local governments and water districts, as well as members representing stakeholders and outside interests that own water rights within the basin. The bill specified that the member of the Colorado Water Conservation Board residing within each roundtable will act as a liaison between the board and the Interbasin Compact Committee, and coordinate the Board's policies and resources. For FY 2005-06, the bill appropriated \$247,044 cash funds from the Operational Account of the Severance Tax Trust Fund and 0.5 FTE to the Department of Natural Resources, Colorado Water Conservation Board. For FY 2006-07, the bill appropriated \$237,444 cash funds from the Operational Account of the Severance Tax Trust Fund and 0.5 FTE to the Department of Natural Resources, Colorado Water Conservation Board.

Starting with FY 2007-08, this line item was transferred to a new line item entitled "Interbasin Compacts". Thus, **the Committee does not need to take action on this line.**

Interbasin Compacts (H.B. 06-1400)

House Bill 06-1400 approved the interbasin compact charter, pursuant to the provisions of H.B. 05-1177. The bill required the Revisor of Statutes to publish the full text of the charter in the Colorado Revised Statutes as non-statutory matter. The bill also moved water districts 60, 61 and 63 from the Gunnison basin roundtable to the Dolores, San Miguel, and San Juan basins roundtable.

The bill also created the Office of Compact Negotiations within the Governor's Office, and specified that money's from the Severance Tax Trust Fund may be used to fund the activities of the interbasin roundtables. The bill specified that moneys appropriated for such purposes do not count against the required two-year statutory reserve for the fund. In FY 2007-08, this line item merged the provisions of HB 05-1177 and HB 06-1400 into one line and appropriated \$1,108,425 (Operational Account of the Severance Tax Trust Fund) and 1.7 FTE.

For the FY 2008-09 budget, the Department submitted a request for 2.0 FTE additional staff and funding. The FY 2008-09 appropriation was set at 3.7 FTE and \$1,113,995 cash funds from the Operational Account.

H.B. 08-1398 created the Interbasin Compact Committee Operation Fund (Section 37-75-107, C.R.S.) and continuously appropriated funds transferred to the Fund from the Operational Account.

Section 39-29-109.3 (2)(i)(I)(A), C.R.S., transfers \$1,145,067 on July 1, 2008. Section 39-29-109.3 (2)(i)(II), C.R.S., transfers \$745,067 on July 1, 2009 and for each state fiscal year thereafter.

In effect, Section 37-75-107, C.R.S., stripped the line from the need of an appropriation. The Department states that it still needs the 3.7 FTE in order to implement this program. The Department requests that the 3.7 FTE be left in the line and the \$1,145,067 be listed with a letternote stating that funding for this line item is from the Interbasin Compact Committee Operation Fund and is shown for informational purposes.

Staff does not recommend the Department's request for 3.7 FTE and \$1,145,067 cash funds. Staff recommends \$745,067 and 3.7 FTE.

Platte River Basin Cooperative Agreement

Colorado became a participant in The Platte River Basin Endangered Species Cooperative in 1997. The Cooperative Agreement is a three-year agreement signed by the governors of Wyoming, Colorado, and Nebraska and by the Secretary of the Interior to address the protection and restoration of various endangered species habitats along the North Platte River. The appropriation supports 1.0 FTE and contractual personal services for ongoing administration of the program and Colorado's portion of contract technical support. **Staff recommends funding \$230,899 cash funds (Fish and Wildlife Resources Fund) and 1.0 FTE.**

Summary of Recommendation– (7) Colorado Water Conservation Board Platte River Basin Cooperative Agreement — Department of Natural Resources		
	Cash Funds	FTE
Personal Services Estimate	123,071	1.0
Operating Expense Estimate	<u>110,347</u>	—
FY 2009-10 Appropriation	233,418	1.0
FY 2010 Supplemental Bill	(3,460)	0.0
Restore FY 2010 Furlough	<u>3,460</u>	<u>0.0</u>
Continuation Estimate	233,418	1.0
SWNPBA: PERA Adjustment	<u>(2,519)</u>	<u>0.0</u>
Total Recommendation	230,899	1.0

S.B. 02-87 Colorado Watershed Protection Fund

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

Indirect Cost Assessment

Staff does not recommend the Department's request for \$489,653 for the purpose of indirect cost recoveries. Staff recommended a new indirect cost methodology during the discussion for the Executive Director's Office above. Based on staff recommendation in the EDO, staff recommends a total indirect cost assessment to the CWCB of \$510,508, including \$501,706 cash funds (CWCB Construction Fund) and \$8,802 federal funds. This appropriation will be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. After the JBC's figure setting decisions have been made, JBC staff will work with the Department to determine whether any revisions to the indirect cost plan will be required. If changes in indirect cost recoveries are necessary, staff will present them to the JBC for final approval prior to the introduction of the Long Bill.

Water Construction Fund Bill

This line item is shown in the JBC staff numbers pages for informational purposes only.

S.B. 06-193 Study

Senate Bill 06-193 required the Colorado Water Conservation Board (CWCB) to conduct a study of underground water storage sites in the South Platte and Arkansas River basins. The bill authorized the Board to consult with the Interbasin Compact Committee, the State Engineer, and the State Geologist. The bill required the Board to submit a report to the General Assembly by March 1, 2007. The bill appropriated \$125,000 cash to the Colorado Conservation Board to implement the bill in FY 2007-08. This was intended to be a one-time appropriation. As such, **no funds were requested nor is an appropriation recommended for FY 2010-11.**

(8) WATER RESOURCES DIVISION

This division, also called the Office of the State Engineer, is primarily responsible for administration of water resources, which includes the following functions:

- This includes daily oversight of allocation within the state and downstream interstate compact compliance, monitoring of water supply through streamflow measurements, and groundwater regulation.
- The division is also responsible for ensuring public safety through regulating dam safety and groundwater well construction.
- The Division oversees seven field offices that monitor and distribute water based on priority, as well as ensure dam safety. Activities performed include dam inspections, well permitting, community education and involvement, consultation with water suppliers and conservation districts, and ongoing administration of interstate compacts and federal decrees.
- Finally, the office collects, preserves, and provides current and historic water records and information.

The Water Resources Division receives approximately 77 percent of the Department's total General Fund appropriation. The majority of the Division's General Fund appropriation is attributable to personal services costs.

The table below shows the staff appropriations recommendation for the Division of Water Resources for FY 2010-11. Staff notes that the recommendation includes several pending items that the Committee has not taken action on yet. Staff will adjust these items depending on Committee action:

Category	GF	CF	RF	FF	Total	FTE
(8) Water Resources Division Current Appropriation	\$20,082,677	\$2,038,921	\$0	\$96,603	\$22,218,201	272.4
Restore FY 2010 Personal Services Cut	342,711	9,531	0	0	352,242	0.0
Restore FY 2010 Furlough	184,230	12,193	0	536	196,959	0.0
Anticipated New Grant - USGS Hydrologic Data Stewardship Project	0	0	0	39,030	39,030	0.0
H.B. 10-1309 FY 2010 Supplemental Bill (Has Not Been Signed Into Law)	(589,024)	27,807	0	(536)	(561,753)	(5.3)

Category	GF	CF	RF	FF	Total	FTE
Annualize S.B. 09-125 CWCB Projects	0	(350,000)	0	0	(350,000)	0.0
Indirect Costs Adjustments	0	(8,579)	0	(183)	(8,762)	0.0
Annualize SWNPS&BA: Postage Increase and Mail Equipment Upgrade (PENDING)	(904)	0	0	0	(904)	0.0
Water Resources Division Base Recommendation	20,019,690	1,729,873	0	135,450	21,885,013	267.1
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. Impact for PERA Adjustment (PENDING)	18,502	4,095	0	0	22,597	0.0
SWNPBA: Mail Equipment Supplemental and Budget Amendment (PENDING)	149	0	0	0	149	0.0
Decision Item 5: Increase Satellite Monitoring Fee Revenue	(20,000)	20,000	0	0	0	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation (PENDING)	(805,836)	(182,784)	0	0	(988,620)	(15.0)
SWNPBA: PERA Adjustment	(351,647)	(15,816)	0	(390)	(367,853)	0.0
(8) Water Resources Division Total Recommendation	\$18,860,858	\$1,555,368	\$0	\$135,060	\$20,551,286	252.1
Change	(\$1,221,819)	(\$483,553)	\$0	\$38,457	(\$1,666,915)	(20.3)
Percent Change	-6.1%	-23.7%	n/a	39.8%	-7.5%	-7.5%

Personal Services

Division of Water Resources Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
State Engineer, Deputy, Assistants	3.0	4.0	4.0	4.0
Administration (accounting, info. tech., public information, budgeting, records)	23.3	26.0	13.0	13.0
Water Division Staff	177.2	186.4	182.1	182.1
Engineering, Technology, Investigations	18.0	19.0	19.0	19.0

Division of Water Resources Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Water Supply, Compacts, Ground Water	<u>30.3</u>	<u>37.0</u>	<u>34.0</u>	<u>34.0</u>
Total	251.8	272.4	252.1	252.1

Staff recommendation for the personal services line for the Division of Water Resources is calculated in the table below. Cash funding is provided from the Division of Water Resources Ground Water Management Cash Fund and the Well Inspection Cash Fund.

Summary of Recommendation – (8) Water Resources Division Personal Services — Department of Natural Resources				
	General Fund	CF	Total	FTE
FY 2009-10 Appropriation	18,411,977	514,897	18,926,874	261.4
FY 2010 Supplemental Bill	(512,425)	(2,276)	(514,701)	(5.3)
Restore FY 2010 Personal Services Cut	342,711	9,531	352,242	0.0
Restore FY 2010 Furlough	<u>172,364</u>	<u>2,276</u>	<u>174,640</u>	<u>0.0</u>
Continuation Estimate	18,414,627	524,428	18,939,055	256.1
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. Impact for PERA Adjustment (PENDING)	18,502	0	18,502	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation (PENDING)	(805,836)	0	(805,836)	(13.0)
SWNPBA: PERA Adjustment	<u>(343,727)</u>	<u>(8,596)</u>	<u>(352,323)</u>	<u>0.0</u>
Total Recommendation	17,283,566	515,832	17,799,398	243.1

Operating Expenses

This line item is largely supported with General Fund, but also contains cash funds, from the Division of Water Resources Ground Water Management Cash Fund, the Well Inspection Cash Fund, the Water Data Bank Cash Fund, the Publication Cash Fund, and the Groundwater Publication Cash Fund.

Staff recommendation for funding the Operating Expenses line item is shown in the table below.

Summary of Recommendation – (8) Water Resources Division Operating Expenses — Department of Natural Resources			
	General Fund	CF	Total
FY 2009-10 Appropriation	1,015,976	439,508	1,455,484
FY 2010 Supplemental Bill	(24,733)	0	(24,733)
Annualize SWNPS&BA:Postage Increase and Mail Equipment Upgrade (PENDING)	<u>(904)</u>	<u>0</u>	<u>(904)</u>
Continuation Estimate	990,339	439,508	1,429,847

Summary of Recommendation – (8) Water Resources Division Operating Expenses — Department of Natural Resources			
	General Fund	CF	Total
SWNPBA: Mail Equipment Supplemental and Budget Amendment (PENDING)	149	0	149
Total Recommendation	990,488	439,508	1,429,996

Interstate Compacts

The United States government, pursuant to interstate compact agreements, assesses the Costilla Creek Compact administrative costs. Pursuant to statute, both the Division of Water Resources and the Water Conservation Board participate in various capacities in interstate water compacts and related associations. The interstate organizations were established to promote communication between state and federal agencies, in support of compact agreements. This line item supports compact dues as well as travel and other expenses associated with the State Engineer and/or his designate(s)' representation of Colorado at the various compact commissions. **Staff recommends the request for a continuation appropriation of \$76,002 General Fund for the Interstate Compacts line item.**

<u>Division</u>	<u>Area</u>
Colorado Water Conservation Board	Upper Colorado River Arkansas River Colorado River Basin Salinity Control
Division of Water Resources	South Platte River Republican River Rio Grande River Costilla Creek Animas-LaPlata LaPlata River

* Note: the Division of Water Resources administers the actual water for all the compacts.

Republican River Compact Compliance

This line item funds staff to work on the Republican River Compact in order to fulfill Colorado's obligations under the Republican River Compact and the Final Settlement Stipulation, approved on December 15, 2002, by the United States Supreme Court in Kansas v. Nebraska and Colorado, No. 126 Original. The Republican River Compact was ratified in 1942 by the states of Colorado, Kansas, and Nebraska to provide an equitable mechanism to divide the water tributary to the Republican River Basin. The historical allocation of available waters among the three states is based on the application of beneficial use, which included both streamflow diversions and alluvial groundwater pumping. Interim decisions by the Special Master in the case who was appointed to hear the interstate lawsuit and the Final Settlement Stipulation approved by the U.S. Supreme Court, expanded the contributory sources of water supply (Streamflow and alluvial ground water) used in the calculation of each state's consumptive use and compact compliance to include ground water stored in the Ogallala aquifer. Prior to this decision to include this ground water, Colorado's

30,000 acre-feet consumptive use per year was less than the 54,100 acre-feet allocation under the compact. However, including the consumptive use from all ground water wells, combined with the seven year drought in the eastern high plains has caused Colorado to exceed its Republican River Compact allocations. The Final Settlement Stipulation requires Colorado to perform numerous tasks to ensure compliance with the compact and Supreme Court decision.

In FY 2008-09, the Committee funded a Department request to increase staffing for the program and implement a well measurement program.

Staff recommendation is presented in the table below.

Summary of Recommendation – (8) Water Resources Division Republican River Compact Compliance — Department of Natural Resources				
	General Fund	CF	Total	FTE
FY 2009-10 Appropriation	321,012	0	321,012	5.0
FY 2010 Supplemental Bill	(6,454)	0	(6,454)	0.0
Restore FY 2010 Furlough	<u>6,454</u>	<u>0</u>	<u>6,454</u>	<u>0.0</u>
Continuation Estimate	321,012	0	321,012	5.0
SWNPBA: PERA Adjustment	<u>(4,308)</u>	<u>0</u>	<u>(4,308)</u>	<u>0.0</u>
Total Recommendation	316,704	0	316,704	5.0

Satellite Monitoring System

This line item supports satellite-linked water resource monitoring stations throughout the state. This system provides "real-time" stream flow information that is used by the Division, consumptive water users such as agricultural users, and other interested persons such as rafters and anglers. Stations record stream flow, and transmit the information to a database. Once on the database, the information is accessible via computer, telephone, and the Internet. Cash revenue is generated through fees from local conservancy districts, water users, user associations, and municipalities, pursuant to Section 37-80-111.5, C.R.S.

The Division of Water Resources began operating the Satellite-Linked Monitoring System in 1985, and the Division believes that it has become one of the most important and integral tools for the administration and management of Colorado’s water resources. The data collected from over 300 gaging stations, and over 250 stations operated by others are used by clients that include the Division of Water Resources personnel, other state and federal agencies including Colorado Conservation Board and the United States Geological Survey, municipalities, canal companies, attorneys, and consulting engineers.

A large number of these locations are essential to the early flood warning system, low flow warning system, critical water rights, and inter-state compacts. The Department contends that reductions to this line item would significantly hinder the Division's ability to perform this service. The data collected by this program is valuable in drought periods. A major portion of the Satellite-Linked Monitoring System General Fund, approximately 60 percent, is used for personnel wages for an electronics technician and a satellite monitoring system coordinator. The electronics

technician is responsible for the repair and maintenance of our existing gaging sites, as well as the installation of any new sties that may be required. The Satellite-Linked Monitoring System coordinator handles the coordination of the Division's Satellite-Linked Monitoring System within the agency, and with other state, county, and federal agencies in an ongoing effort to keep the Satellite-Linked Monitoring System operating efficiently. Another 10 percent or more of the General Fund is used for necessary phone communications between the seven division offices and the Denver office. The balance is used for the purchase of supplies necessary for the maintenance and upkeep of the gaging sites and mileage for the technician to travel to and from the many sites.

- ❑ ***Decision Item 5 (Early Supplemental 4) - Increase Fee Revenue for Satellite Monitoring System.*** The Water Resources Division is requesting increased spending authority of \$20,000 cash funds (Satellite Monitoring System Cash Fund) for FY 2010-11 from the Satellite Monitoring System Cash Fund to meet increasing operational expenses due to necessary expansion of the system. Staff notes that the Department submitted a FY 2009-10 supplemental to implement the fee increase for 8 months in FY 2009-10 and raise \$40,000 in fees. The Committee approved this request.

Department Justification for the Request. User service and access fees are charged to users to help support the Satellite Monitoring System, whose appropriation is divided between cash and General Fund. Of the 500 operating gaging stations, user and service fees are currently collected on only 146 gages. Division staff has begun working to identify sponsors for additional gages in the system. Division staff estimate that additional cooperators will be found to fund 50 additional gages. For FY 2009-10, the Department estimates that 50 users will begin to pay an additional \$100 monthly access fee. The Department estimates 8 months of payments for the fee in FY 2009-10 translating to \$40,000 of additional cash fund revenue and 12 months for FY 2010-11 translating into \$60,000 of total additional revenue.

The Committee already approved the Department FY 2009-10 request, the table below showing the staff recommendation includes a \$20,000 annualization to account for a full year of fee revenue.

Staff notes that the table also includes an annualization of S.B. 09-125 CWCB Construction Fund Projects Bill. The Satellite Monitoring System was appropriated \$350,000 in FY 2009-10 from the Colorado Water Conservation Board Construction Fund for renovation of existing gauging stations, replacement of outdated collection platforms, and upgrading of transmission components of the satellite monitoring system.

Staff recommends the Committee approve the Department's request for decision item 5. The table below shows staff calculation of the FY 2010-11 appropriation amount for the Satellite Monitoring System.

Summary of Recommendation – (8) Water Resources Division Satellite Monitoring System — Department of Natural Resources				
	General Fund	CF	Total	FTE
Personal Services (estimate)	182,811	0	182,811	2.0
Operating Expense (estimate)	<u>74,899</u>	<u>494,889</u>	<u>569,788</u>	—
FY 2009-10 Appropriation	257,710	494,889	752,599	2.0
FY 2010 Supplemental	(45,412)	40,000	(5,412)	0.0
Annualize S.B. 09-125	0	(350,000)	(350,000)	0.0
Restore FY 2010 Furlough	5,412	0	5,412	0.0
Continuation Estimate	217,710	184,889	402,599	2.0
Decision Item 5: Increase Satellite Monitoring Fee Revenue	(20,000)	20,000	0	0.0
SWNPBA: PERA Adjustment	<u>(3,612)</u>	<u>0</u>	<u>(3,612)</u>	<u>0.0</u>
Total Recommendation	194,098	204,889	398,987	2.0

Augmentation of Water for Sand and Gravel Extraction

This line item supports contracts for the evaluation of augmentation plans for extraction of sand and gravel, which are required by Section 37-90-137 (11) (a) and (b), C.R.S. Sand and gravel pit owners (applicants) must submit water augmentation plans. By statute, these plans must be reviewed by the Water Resources Division. Fees are collected from applicants obtaining a well permit for exposing ground water in the process of sand and gravel extraction. House Bill 06-1293 increased fees charged for obtaining a groundwater pumping permit, reactivating a mining operation, reviving an approved but expired water supply plan, and resubmitting a disapproved substitute water supply plan. The bill also increases fees for renewing a groundwater well pumping permit. This bill was anticipated to generate \$10,000 in additional fee revenue to the Gravel Pit Lakes Augmentation Fund, and it included an appropriation of \$9,400.

Staff recommends the requested continuation of \$44,400 cash funds for FY 2010-11. The source of cash funds is the Gravel Pit Lakes Augmentation Fund authorized in Section 37-90-137 (11) (f), C.R.S.

Dam Emergency Repair

Pursuant to Section 37-87-108.5, C.R.S., this appropriation provides funding to the State Engineer in the event emergency action is necessary to repair a dangerous or threatened dam. Cash funds are from the emergency dam repair cash account within the Water Conservation Board Construction Fund. Pursuant to Section 37-60-122.5, C.R.S., a maximum amount of \$50,000 is continuously appropriated. Funds expended are recoverable from the dam owner. There has been no event requiring the use of these funds to date, but the appropriation reflects the continuous spending authority should a need arise. The request is for a continuation of the \$50,000 to be reflected in the Long Bill for FY 2010-11.

The recommendation is to continue to reflect the \$50,000 spending authority which is continuously appropriated. As the funding is continuously appropriated, this is shown for

informational purposes only and does not represent spending authority in the Long Bill.

Federal Grant

The requested amount of \$133,422 reflects the grants anticipated to be received. Part of the funding is from the Federal Emergency Management Agency (FEMA) to support the Division's Dam Safety program and there is a small sum from the U.S. Bureau of Reclamation. For FY 2010-11, the Department anticipates receiving an additional grant from the USGS Hydrologic Data Stewardship Project. **Staff recommends reflecting the \$133,422 federal funds anticipated to be received for the grants.**

Summary of Recommendation – (8) Water Resources Division Federal Grant — Department of Natural Resources	
	Federal Fund
FY 2009-10 Appropriation	94,782
FY 2010 Supplemental Bill	(536)
Anticipated New Grant - USGS Hydrologic Data Stewardship Project	39,030
Restore FY 2010 Furlough	<u>536</u>
Continuation Estimate	133,812
SWNPBA: PERA Adjustment	<u>(390)</u>
Total Recommendation	133,422

River Decision Support Systems

The River Decision Support System is the first part in a statewide decision support system. Similar systems for the Rio Grande, South Platte, and Arkansas River basins are underway or anticipated for future development. The system consists of databases and models that facilitate decision making related to interstate compacts, water resource planning, and water rights administration, through use of historic data and a geographic information system.

Water Management in the State of Colorado is governed by a series of interstate compacts, international treaties, state and federal laws, and U.S. Supreme Court decrees. In 1993 the Colorado legislature authorized the Colorado Water Conservation Board (CWCB) and the Division of Water Resources (DWR) to design and construct a system for the Colorado River drainage. In 1997, an extension of this system was authorized for the Rio Grande basin. In 2002, an extension of this system was authorized for the South Platte basin. Long range plans of the CWCB and DWR are to include the Arkansas River Basin and thereby provide complete statewide coverage. These systems are collectively known as Colorado's Decision Support Systems (CDSS). The principle goal of the CDSS system is to provide the capability to provide factual information on which to make informed decisions concerning the management of Colorado water. The CDSS has resulted in significant benefits to the State of Colorado (Division of Water Resources, and Colorado Water Conservation Board), and the water users community, including agriculture, recreation (anglers, rafting, boating), safety, and conservation. Direct benefits include allowing decision-makers access to water resource data to simulate potential decisions and policies and examine potential consequences related to the following:

- Interstate Compact Policy, including evaluation of alternative reservoir operating policies, determination of available water for development and maximization of Colorado's apportionment.
- Water Rescue Planning, including development and use of a water resource-planning model (i.e. new projects, water exchanges, operating plans) and evaluation of impacts of instream flow appropriations (e.g. endangered fish flow, minimum flows).
- Water Rights Administration, including optimization of water rights administration, on-line sharing of information between water users, and administration of water rights within compact allocations (i.e., alternative strategies of administration which will enable the maximum use of available resource).

Both the Colorado Water Conservation Board and the Division of Water Resources share maintenance of the Decision Support System. By definition, maintenance begins in a basin when its development is essentially complete. Therefore, the Decision Support System maintenance program includes the Colorado River and Rio Grande Basins. Funds for this program have been provided both in the annual Colorado Water Conservation Board Construction Fund Bill (in support of development) and in the Long Bill (in support of ongoing costs starting in FY 1998-99). Appropriations have been made to both the Water Conservation Board and the Division of Water Resources.

Staff recommends an appropriation of \$205,391 cash funds (Colorado Water Conservation Board Construction Fund) and 2.0 FTE.

Summary of Recommendation – (8) Water Resources Division River Decision Support Systems — Department of Natural Resources		
	Cash Funds	FTE
Personal Services (estimate)	335,027	4.0
Operating Expense (estimate)	56,273	0.0
FY 2009-10 Appropriation	391,300	4.0
FY 2010 Supplemental Bill	(9,917)	0.0
Restore FY 2010 Furlough	<u>9,917</u>	<u>0.0</u>
Continuation Estimate	391,300	4.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. Impact for PERA Adjustment (PENDING)	4,095	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation (PENDING)	(182,784)	(2.0)
SWNPBA: PERA Adjustment	<u>(7,220)</u>	<u>0.0</u>
FY 2008-09 Appropriation	205,391	2.0

H.B. 03-1334 Temporary Interruptible Water Supply Agreement

House Bill 03-1334 (Mitchell/Hillman) enabled water users to transfer the historical consumptive use of an absolute right for application to another type or place of use on a temporary basis, without permanently changing the water right. The legislation authorized the State Engineers to approve and administer interruptible water supply agreements that permit a temporary change in the point of diversion, location of use, and type of use of any absolute water right without the need for adjudication. In FY 2005-06, the funding associated with this legislation was separated out into its own line item, pursuant to the Division's request. The funding will only be expended in this area upon the request for the temporary interruptible water supply agreement and hence the revenues would be raised. The request is for a continuing level of funding. **Staff recommends the request for a continuing level of funding of \$61,589 cash funds from the Ground Water Management Cash Fund for FY 2010-11.**

S.B. 04-225 Well Enforcement

The request is for a continuing level of \$1,489 cash funds pursuant to S.B. 04-225 (Sen. Hillman / Rep. Hoppe). This bill authorized the state engineer and ground water management districts to issue well permit enforcement orders to facilitate administration of designated ground water, including a requirement to provide records of energy used to pump ground water. This bill also authorized the state engineer to seek court enforcement of such orders, and it created a well enforcement cash fund for penalties collected pursuant to the provisions of the bill. The fund is to be used for the investigation and enforcement of violations of orders or to regulate ground water. The fiscal note estimated that the bill could be implemented with existing staff. This line item covers travel expenses. **Staff recommends the request for a continuing level of \$1,489 cash funds from the Well Enforcement Cash Fund for FY 2010-11.**

Indirect Cost Assessment

Staff does not recommend the Department's request for \$32,590 for the purpose of indirect cost recoveries. Staff recommended a new indirect cost methodology during the discussion for the Executive Director's Office above. Based on staff recommendation in the EDO, staff recommends a total indirect cost assessment to the Water Resources Division of \$33,908, including \$32,270 cash funds and \$1,638 federal funds. This appropriation will be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. After the JBC's figure setting decisions have been made, JBC staff will work with the Department to determine whether any revisions to the indirect cost plan will be required. If changes in indirect cost recoveries are necessary, staff will present them to the JBC for final approval prior to the introduction of the Long Bill.

Expenditure of Water Project Bill Funds

This line item is included in the JBC staff numbers pages to reflect the cash funds spending authority to water projects from the Colorado Water Conservation Board Construction Fund established pursuant to Section 37-60-121 (1) (a), C.R.S. **This is not a line item in the Long Bill, as such, staff is not recommending an amount for FY 2010-11.** Rather, any potential appropriations for CWCB Construction Fund projects will be included in a special bill.

(9) DIVISION OF WILDLIFE

This division contains appropriations for the following programs:

Wildlife Habitat. This program supports habitat for the more than 900 game and non-game species in Colorado. Activities include operation and maintenance of roughly 256 State Wildlife Areas, identification of high priority wildlife habitat, conservation of high priority habitat, maintenance of instream flow, improvement of wildlife habitat (including water quality), improvement of habitat through cooperative projects on public and private lands, and providing comments to local, state, and federal agencies regarding the impact to wildlife of certain land use and permitting decisions.

Wildlife Species. This program preserves, protects, and enhances the viability of all Colorado wildlife species. This program includes: efforts to inventory wildlife species and determine their population status; projects to assess, restore, and acquire species habitat; studies to better understand species' life needs; and projects to transplant / re-introduce species to bolster population levels. For species with dangerously low population levels, the program develops and implements management plans with the intent of ensuring these species maintain viable population levels and do not become candidates for listing under the federal Endangered Species Act.

Hunting Recreation. This program funds the management of game species and their habitat, which includes habitat modification and improvement, predator control, herd inventory, development of herd objectives, and monitoring of harvest levels. This program also involves providing access to hunting on both public and private lands, managing the conflicts between big game and agricultural interests through the Habitat Partnership Program, compensating landowners for game related damage, and providing hunting information.

Fishing Recreation. This program seeks to provide fishing opportunities by expanding access to fishing waters, monitoring catch levels, studying and strategically managing fish populations, producing and stocking certain fish species, researching Whirling Disease and other fish health topics, and protecting water habitats.

Watchable Wildlife. This program provides wildlife viewing opportunities through the development, construction, and maintenance of watchable wildlife viewing facilities at state wildlife areas, at state parks, and on other public and private lands. This program also provides viewing guides, brochures, videos, and workshops aimed at educating the public regarding wildlife viewing.

Law Enforcement. This program seeks to enforce regulations pertaining to hunting and fishing to ensure public safety. Activities under this program include maintaining a field presence to deter illegal activity and inspect licenses, checking bag and possession limits, responding to complaints of illegal activities, investigating hunting accidents, and conducting special law enforcement activities.

Licensing. This program handles the licensing of hunters and anglers in Colorado, including managing "limited" licensing draws where a random drawing is used to allocate a fixed number of licenses. This program includes working with private sales agents who sell licenses, as well as maintaining data about license holders in the Division's Colorado Outdoor Recreation Information System (CORIS) database.

Wildlife Education. This program is designed to provide public outreach and education to the citizens of Colorado on wildlife protection and recreation issues. Activities include providing the public with information on how to live in harmony with wildlife and how to enjoy wildlife recreation, as well as providing basic ecological and scientific information to interested members of the public.

Wildlife Information. This program is responsible for providing information about wildlife related recreation to the public. This information includes explanations of applicable statutes and regulations, how to apply for limited licenses, and how to enjoy wildlife related recreation safely. Information is provided through brochures, radio programs, videos, maps, magazines, the Internet, and newsletters.

Customer Service. This program maintains 16 customer service centers through the State, as well as managing a telephone call center in the Denver headquarters office. These centers respond to customer inquiries, respond to calls about nuisance wildlife, and sell licenses and other Division products to the public.

Public Policy. This program is designed to analyze public satisfaction with wildlife resource management by the Division and develop a policymaking process which includes the public. Activities under this program include establishing wildlife regulations, surveying public opinion, holding public meetings, and analyzing wildlife related policy issues.

Human Resources. This program is responsible for the hiring of new Division staff, evaluating and providing staff training, overseeing basic training for new law enforcement officers, developing a diverse workforce, and working with Colorado colleges and universities to offer scholarships, internships, mentoring, volunteer experiences, and summer jobs to students.

Internal Systems. This program provides computer and professional support for all Division programs and activities. Related functions include the following: accounting and finance; supporting employee computers, telecommunications equipment, and the Division's website; preparing contracts and legal documents; applying for and monitoring grant expenditures; maintaining Division facilities, and equipment; providing Division planning, and budgeting; providing engineering/design support for proposed construction projects; and managing construction projects.

Note: Pursuant to the provisions of Section 33-1-103(9.5), C.R.S., the Division of Wildlife is an enterprise (see H.B. 01-1012). As such revenue received by the Division is exempt from

Article X, Section 20 of the Constitution. In addition to revenue received by the Division for fines and fees, the Division receives some funding from Great Outdoors Colorado. These funds are also exempt from state revenue limits, and are shown in the Long Bill for informational purposes only.

In FY 2006-07, the JBC approved the Division's request to consolidate these line items into four line items: (1) Director's Office, (2) Wildlife Management, (3) Technical Services, and (4) Information Technology.

The table below shows the staff recommendation for the Division of Wildlife for FY 2010-11. Staff notes that the recommendation includes several pending items that the Committee has not taken action on yet. Staff will adjust these items depending on Committee action:

Category	GF	CF	RF	FF	Total	FTE
(9) Division of Wildlife Current Appropriation	\$0	\$77,289,298	\$0	\$10,282,533	\$87,571,831	651.4
Restore FY 2010 Personal Services Cut	0	790,033	0	119,011	909,044	0.0
Restore FY 2010 Furlough	0	339,928	0	84,957	424,885	0.0
Indirect Costs Adjustments	0	(317,238)	0	542,873	225,635	0.0
Annualize S.B. 09-235 Wildlife Habitat Stamps and Wildlife Passport	0	183,819	0	0	183,819	0.0
H.B. 10-1309 FY 2009-10 Supplemental Bill (Has Not Been Signed Into Law)	0	(368,913)	0	(84,957)	(453,870)	0.0
Annualize FY 2010 SWNPS&BA: Postage Increase and Mail Equipment Upgrade (PENDING)	0	(9,765)	0	0	(9,765)	0.0
Indirect Costs Adjustments					0	0.0
Annualize FY 2010 Decision Item Postage Increase and Mail Equipment Upgrade					0	0.0
Division of Wildlife Base Recommendation	0	77,907,162	0	10,944,417	88,851,579	651.4
Decision Item 3: Shift Funding for the Division of Wildlife from the Capital Construction to the Operating Budget	0	2,231,880	0	0	2,231,880	0.0

Category	GF	CF	RF	FF	Total	FTE
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. Impact for PERA Adjustment (PENDING)	0	37,736	0	0	37,736	0.0
SWNPBA: Mail Equipment Supplemental and Budget Amendment (PENDING)	0	1,613	0	0	1,613	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation (PENDING)	0	(1,684,656)	0	0	(1,684,656)	(20.0)
Staff Initiated Reduction to the Game Damage Claims Prevention Line Item	0	(1,217,500)	0	0	(1,217,500)	0.0
SWNPBA: PERA Adjustment	0	(878,328)	0	(129,444)	(1,007,772)	0.0
(9) Division of Wildlife Total Recommendation	\$0	\$76,397,907	\$0	\$10,814,973	\$87,212,880	631.4
Change	\$0	(\$891,391)	\$0	\$532,440	(\$358,951)	(20.0)
Percent Change	n/a	-1.2%	n/a	5.2%	-0.4%	-3.1%

(1) Director's Office

These staff are responsible for the overall management and oversight of Division activities. They work closely with the Executive Director, the Governor, the Legislature, constituents, and other employees in the development and implementation of wildlife policies and regulations. This program includes division-wide planning, budgeting and evaluation activities, as well as management of the Division's grant programs. This program also supports the Colorado Wildlife Commission.

DOW - Director's Office Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management and Administration	3.2	10.0	10.0	10.0
Policy Analysis and Financial Services	7.9	6.0	6.0	6.0
Internal Auditor	1.0	1.0	1.0	1.0
Information/Education	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total	13.1	18.0	18.0	18.0

Staff recommends total funding of \$2,028,057 and 18.0 FTE for this line item, which is comprised of \$1,911,113 cash funds and \$116,944 federal funds.

Summary of Recommendation – (9) Division of Wildlife				
(A) Administration, (1) Director's Office — Department of Natural Resources				
	Cash Funds	Federal Funds	Total	FTE
Personal Services (estimate)	1,574,459	97,764	1,672,223	18.0
Operating Expense (estimate)	<u>363,475</u>	<u>22,962</u>	<u>386,437</u>	—
FY 2009-10 Appropriation	1,937,934	120,726	2,058,660	18.0
FY 2010 Supplemental	(35,468)	(6,109)	(41,577)	0.0
Restore FY 2010 Furlough	33,840	6,109	39,949	0.0
Annualize FY 2010 SWNP&BA: Postage Increase and Mail Equipment Upgrade (PENDING)	<u>(548)</u>	<u>0</u>	<u>(548)</u>	<u>0.0</u>
Continuation Estimate	1,935,758	120,726	2,056,484	18.0
SWNP&BA: Mail Equipment Supplemental and Budget Amendment (PENDING)	91	0	91	0.0
SWNP&BA: PERA Adjustment	<u>(24,736)</u>	<u>(3,782)</u>	<u>(28,518)</u>	<u>0.0</u>
Total Recommendation	1,911,113	116,944	2,028,057	18.0

(2) Wildlife Management

This line item is used for the programs that manage the state's wildlife resources, which include: wildlife habitat, wildlife species, hunting recreation, fishing recreation, watchable wildlife, licensing, and wildlife education.

DOW - Wildlife Management Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Engineers	3.0	1.9	1.9	1.9
Information Technology	12.0	11.0	8.0	8.0
Information/Education	34.5	31.5	31.5	31.5
Laboratory Technicians/Veterinarian	4.0	4.0	4.0	4.0
Management and Administration	91.7	95.3	95.3	95.3
Policy Analyses and Administration	0.7	0.7	0.7	0.7
Property/Hatchery Technicians	126.6	126.0	126.0	126.0
Scientists/Researcher	39.9	30.0	30.0	30.0
Wildlife Management/Biologist	268.7	254.0	254.0	254.0
Total	581.1	554.4	551.4	551.4

Staff recommends total funding of \$65,828,172 and 551.4 FTE for this line item.

Summary of Recommendation – Division of Wildlife				
(9) (A) (2) Wildlife Management — Department of Natural Resources				
	CF	FF	Total	FTE
Personal Services (Estimate)	35,410,246	6,448,325	41,858,571	554.4
Operating Expense (Estimate)	<u>20,340,444</u>	<u>3,698,418</u>	<u>24,038,862</u>	0.0
FY 2009-10 Appropriation	55,750,690	10,146,743	65,897,433	554.4
FY 2010 Supplemental Bill	(275,104)	(59,850)	(334,954)	0.0
Restore FY 2010 Personal Services Cut	694,222	118,684	812,906	0.0
Restore FY 2010 Furlough	259,740	59,850	319,590	0.0
Annualize H.B. 09-235 Wildlife Fees	183,819	0	183,819	0.0
Annualize FY 2010 SWNPS&BA: Postage Increase and Mail Equipment Upgrade (PENDING)	<u>(5,176)</u>	<u>0</u>	<u>(5,176)</u>	<u>0.0</u>
Continuation Estimate	56,608,191	10,265,427	66,873,618	554.4
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. Impact for PERA Adjustment (PENDING)	4,418	0	4,418	0.0
SWNPBA: Mail Equipment Supplemental and Budget Amendment (PENDING)	855	0	855	0.0
SWNPBA: PERA Adjustment	(740,271)	(113,192)	(853,463)	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. (PENDING)	<u>(197,256)</u>	<u>0</u>	<u>(197,256)</u>	<u>(3.0)</u>
Total Recommendation	55,675,937	10,152,235	65,828,172	551.4

(3) Technical Services

The Technical Services line item provides support to other Division of Wildlife programs in the form of administrative services, engineering services and facilities management. Administrative support includes accounting and cash management, contracting, grant accounting, procurement, time sheet and labor data collection, license services, human resources, training, and legal services. Engineering services include designing and managing capital construction projects. Facilities management includes operating and maintaining division administrative facilities (offices and customer service centers) and operating the Division's vehicle fleet.

DOW - Technical Services Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management and Administration	21.7	25.5	25.5	25.5
Accounting and Procurement	9.9	9.0	9.0	9.0
Engineers	19.1	18.7	18.7	18.7
Information Technology	2.0	1.0	0.0	0.0
Licensing	4.0	4.0	4.0	4.0
Wildlife Management / Biologists	1.0	2.8	2.8	2.8
Total	57.7	61.0	60.0	60.0

Staff recommends total funding of \$6,494,205 and 60.0 FTE for this line item. Staff will adjust any changes to pending items.

Summary of Recommendation – Division of Wildlife (9) (A) (3) Technical Services — Department of Natural Resources				
	CF	FF	Total	FTE
Personal Services (Estimate)	5,062,089	15,064	5,077,153	61.0
Operating Expense (Estimate)	<u>1,538,891</u>	<u>0</u>	<u>1,538,891</u>	<u>0.0</u>
FY 2009-10 Appropriation	6,600,980	15,064	6,616,044	61.0
FY 2010 Supplemental Bill	(23,234)	(18,998)	(42,232)	0.0
Restore FY 2010 Personal Services Cut	95,811	327	96,138	0.0
Restore FY 2010 Furlough	11,241	18,998	30,239	0.0
Annualize SWNPS&BA: Postage Increase and Mail Equipment Upgrade (PENDING)	<u>(4,041)</u>	<u>0</u>	<u>(4,041)</u>	<u>0.0</u>
Continuation Estimate	6,680,757	15,391	6,696,148	61.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. Impact for PERA Adjustment (PENDING)	2,488	0	2,488	0.0
SWNPBA: Mail Equipment Supplemental and Budget Amendment (PENDING)	667	0	667	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. (PENDING)	(111,072)	0	(111,072)	(1.0)
SWNPBA: PERA Adjustment	<u>(81,556)</u>	<u>(12,470)</u>	<u>(94,026)</u>	<u>0.0</u>
Total Recommendation	6,491,284	2,921	6,494,205	60.0

(4) Information Technology

This section supports information technology systems necessary for core Division of Wildlife functions by providing computer and communications infrastructure, asset management, user support, standardized software applications, internet oversight, development of information technology policies and plans, and the development and maintenance of new and existing business applications.

DOW - Information Technology Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management and Administration	1.0	1.0	2.0	2.0
Information Technology	<u>15.6</u>	<u>17.0</u>	<u>0.0</u>	<u>0.0</u>
Total	16.6	18.0	2.0	2.0

Staff recommends total funding of \$1,580,395 cash funds and 2.0 FTE for this line item.

Summary of Recommendation – Division of Wildlife				
(9) (A) (4) Information Technology — Department of Natural Resources				
	CF	FF	Total	FTE
Personal Services (Estimate)	1,245,634	0	1,245,634	18.0
Operating Expense (Estimate)	<u>1,712,024</u>	<u>0</u>	<u>1,712,024</u>	<u>0.0</u>
FY 2009-10 Appropriation	2,957,658	0	2,957,658	18.0
FY 2010 Supplemental Bill	(35,107)	0	(35,107)	0.0
Restore FY 2010 Furlough	<u>35,107</u>	<u>0</u>	<u>35,107</u>	<u>0.0</u>
Continuation Estimate	2,957,658	0	2,957,658	18.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. Impact for PERA Adjustment (PENDING)	30,830	0	30,830	0.0
Non-prioritized Statewide Decision Item 1: IT Staff Consolidation. (PENDING)	(1,376,328)	0	(1,376,328)	(16.0)
SWNPBA: PERA Adjustment	<u>(31,765)</u>	<u>0</u>	<u>(31,765)</u>	<u>0.0</u>
Total Recommendation	1,580,395	0	1,580,395	2.0

Bottom Line Funding Recommendation

Staff recommends the following funding sources be reflected in the Long Bill. These sources are based on information provided in the Division of Wildlife's budget schedules. Staff will work with the Department to adjust any fund splits based on updated information or changes to common policy line items.

Summary of Recommendation – Division of Wildlife			
(9) (A) Division Operations — Department of Natural Resources			
	CF	FF	Total
Director's Office	1,911,113	116,944	2,028,057
Wildlife Management	55,675,937	10,152,235	65,828,172
Technical Services	6,491,284	2,921	6,494,205
Information Technology	<u>1,580,395</u>	<u>0</u>	<u>1,580,395</u>
Total Recommendation	65,658,729	10,272,100	75,930,829
Wildlife Cash Fund (Section 33-1-112 (1), C.R.S.)	56,074,585	0	56,074,585
Colorado Outdoor Sales	550,000	0	550,000

Summary of Recommendation – Division of Wildlife			
(9) (A) Division Operations — Department of Natural Resources			
	CF	FF	Total
Great Outdoors Colorado (non-appropriated)	6,200,000	0	6,200,000
Operational Account of the Severance Tax Trust Fund	1,569,144	0	1,569,144
Federal Aid Projects Fund	15,000	0	15,000
Wildlife Mgmt. Public Education Fund (Section 33-1-112 (3.5), C.R.S.)	1,100,000	0	1,100,000
Donations	150,000	0	150,000
Miscellaneous Federal Funds	<u>0</u>	<u>10,272,100</u>	<u>10,272,100</u>
Total Recommendation	65,658,729	10,272,100	75,930,829

(9) DIVISION OF WILDLIFE

(B) Division of Wildlife Special Purpose Line Items

Wildlife Commission Discretionary Fund

Staff recommends the Department's continuation request of \$160,000 cash funds for this line item, which was reduced by \$90,000 cash funds in FY 2005-06. This appropriation is used to provide "seed" money to the Division for cooperative efforts to enhance wildlife and wildlife management. The Division must apply to the Commission for this money and may work in cooperation with other agencies to complete the proposed projects. Past projects funded out of the Wildlife Commission Discretionary Fund have included the Deloitte & Touche Management Review, a cooperative workshop with Colorado State University on Whirling Disease, partial funding for the purchase of the Division's new budgeting software system, partial funding for research on declining mule deer populations in Colorado, and a study on limited licensing.

Game Damage Claims and Prevention

The Department requests of \$2,500,000 cash funds for this line item, which represents spending authority for when and if a game damage claim is made against the Department. Approximately half of the spending in this line is for game damage prevention and the other half is for the claims. It is not possible to accurately predict the spending on claims as it is dependent upon a myriad of factors, including the weather. This line item includes funds for the purchase of fencing, pyrotechnics and other materials which are provided to landowners for the purpose of preventing damage (and potential DOW liability) to standing and harvested crops, forage, and other property. Staff notes that S.B. 09-24 changed the time-frame for which DOW is to contact landowners and provide game damage prevention materials. The fiscal note estimated increased costs as a result of this bill totaling \$213,125 cash funds in FY 2009-10 and \$232,500 in FY 2010-11.

Staff notes that in contrast to the fiscal note, the bill contained appropriations clauses totaling \$600,000 in FY 2008-09 and \$1,450,000 in FY 2009-10. The explanation provided for these appropriations was unanticipated increase in game damage claims. Staff notes that according to the Department schedules, the expenditures from this line item in FY 2007-08 and FY 2008-09 are \$1,050,000 and \$1,184,914 respectively.

Staff recommends including the fiscal note estimated amount of \$232,500 for FY 2010-11 in addition to the base appropriation of \$1,050,000. Staff recommends total funding of \$1,282,500 Wildlife Cash Fund for FY 2010-11.

Instream Flow Program

Staff recommends the Department's request for \$296,027 cash funds for this line item. Funds appropriated to this line item are transferred to the Colorado Water Conservation Board (CWCB) to support the instream flow program. Pursuant to Section 37-92-102(3) C.R.S., the CWCB uses the funds to acquire water for minimum stream flows or volumes for natural lakes to preserve the natural environment.

Habitat Partnership Program

Staff recommends the Department's request for \$2,500,000 cash funds for this line item, which is continuously appropriated. Senate Bill 01-006 dedicated five percent of the net sales of big game hunting licenses used in geographic locations represented by a habitat partnership committee to the Habitat Partnership Program.

The Habitat Partnership Program, which is managed through 17 local Habitat Partnership Committees, is designed to reduce wildlife conflicts, especially those related to forage and fencing issues. Local committees develop big game distribution management plans designed to minimize such wildlife conflicts. In this regard, the Division funds fencing projects and performs various habitat improvement projects designed to meet game management objectives and to keep big game off of private property. Pursuant to Section 33-1-112 (8)(e), C.R.S., there is an annual transfer of five percent of the net sales of big game hunting licenses used in geographic locations represented by a Habitat Partnership Committee.

S.B. 08-226 Aquatic Nuisance Species

S.B. 08-226 established aquatic nuisance species laws to prevent, control, contain, monitor, and eradicate aquatic nuisance species, both wildlife and plants, from state waters. Among other things, the bill created the Divisions of Parks and Outdoor Recreation Aquatic Nuisance Species Fund and the Division of Wildlife Aquatic Nuisance Species Fund. The bill transfers moneys from the Tier 2 Operational Account of the Severance Tax Trust Fund. In FY 2008-09 the bill transferred \$5,956,636, including appropriating \$2,667,244 to the Division of Wildlife. In FY 2009-10, the bill transferred \$4,006,005, including \$1,304,544 to Wildlife. In FY 2010-11, the bill transfers \$4,006,005, including \$1,304,544 to Wildlife. **Staff recommends an appropriation of \$1,304,544 for FY 2010-11.**

NEW LONG BILL LINE ITEMS REQUEST

- ***Decision Item 3 - Shift Funding for the Division of Wildlife*** . The Division of Parks and Outdoor Recreation (Decision Item 4) and the Division of Wildlife (Decision Item 3) are proposing to re-organize the capital construction budgets and move part of their re-organized capital construction line items into the operating side of the budget. With

Decision Item 3, the Division of Wildlife is proposing to re-organize its capital construction long bill group and move \$2,231,880 into two new long bill line items under the Division of Wildlife operating budget, Special Purpose.

The Division of Wildlife FY 2010-11 capital submission consolidates 13 ongoing projects into 4 new project titles. Additionally, the division is requesting that several projects formerly included in the capital budget be included in its operating budget, provided that the Joint Budget Committee approves a footnote permitting three years to spend the project appropriations.

Division of Wildlife Proposed Capital Construction Re-organization

The request is to reclassify \$2,231,880 Wildlife Cash Fund and move two line items from the capital construction budget to the operating budget.

"GRANTS AND HABITAT PARTNERSHIPS" \$1,625,000 (\$1,425,000 Wildlife Cash Fund and \$200,000 from the sale of waterfowl stamps). This line item will contain projects related to (1) grants for habitat improvement on private property under the Pheasant Habitat Partnership Program (PHIP); (2) small habitat improvement projects on State Wildlife Areas that cost less than \$50,000 each and are more appropriately categorized as operating expenses, and ; (3) grants for improvements, repairs and development for wetlands and shooting ranges.

"ASSET MAINTENANCE AND REPAIRS" \$606,880 Wildlife Cash Fund. This line item is proposed to address projects that are for the most part under \$50,000, are more maintenance in nature, and are more appropriately contained in the operating budget. This line item will represent the Division's internal controlled maintenance program.

The Department states that the request for these two line items is contingent on the General Assembly approving a footnote that authorizes three year spending authority in order to allow the Division enough time to select grant recipients under the PHIP program and to account for weather events that may extend the project completion time to more than a year.

The table on the following page presents the consolidation and reorganization at the Division of Wildlife:

FY 10-11 Division of Wildlife Proposed Capital Line Item Consolidation and Capital Reorganization

PROJECT NAME TRADITIONAL LINE ITEM TITLES	PROPOSED LINE ITEM TITLES *						
	OPERATING	CAPITAL CONSTRUCTION					
	GRANTS AND HABITAT PARTNERSHIPS	ASSET MAINTENANCE AND REPAIRS	ASSET DEVELOPMENT OR IMPROVEMENTS	INFRASTRUCTURE & REAL PROPERTY MAINTENANCE	MOTOR BOAT ACCESS	LAND AND WATER ACQUISITIONS	
PROPERTY ACQUISITIONS							
Property Acquisitions - Habitat Stamp Properties	\$3,500,000						\$3,500,000
Property Acquisitions - Non-habitat Stamp	\$1,000,000						\$1,000,000
	\$4,500,000						
COOPERATIVE HABITAT IMPROVEMENTS							
Pheasant Habitat Partnership Program (PHIP)	\$350,000	\$350,000					
Mt. Evans SWA - Prescribed Fire	\$15,000	\$15,000					
Mt. Evans SWA - Habitat Improvement	\$17,500	\$17,500					
James Mark Jones SWA - prescription burn	\$425,500	\$425,500					
	\$425,000						
DAM MAINTENANCE REPAIR AND IMPROVEMENT							
Misc. Dam Repairs and Improvements Statewide	\$200,000			\$200,000			
Skaguay Reservoir SWA - Hazard Classification	\$50,000			\$50,000			
Two Buttes SWA - Alternative Analysis and Outlet Design	\$250,000			\$20,000			
	\$290,000						
EMPLOYEE HOUSING REPAIRS							
Basalt SWA - Toner House Repair	\$45,000	\$45,000					
Kemp Breze SWA - Kemp House - Water Line	\$35,000			\$35,000			
Glenwood Springs SFU - Replace Flooring, Furnace and Windows in GH-65	\$35,280		\$35,280				
Pitkin SFU - GH-81 Energy Retrofit (Formerly Rear Deck Enclosure)	\$42,000						
Finger Rock SFU - B372 Duplex Window Replacement	\$12,000	\$12,000					
	\$169,280						
FISH UNIT MAINTENANCE AND IMPROVEMENT							
Crystal River Hatchery - Security Fencing	\$48,000		\$48,000				
Fish Research Hatchery - Main Well Pipe Replacement	\$10,000			\$101,000			
Roaring Judy SFU - Office/Warehouse Heating System	\$30,000			\$30,000			
Pitkin SFU - Quartz Creek - Middle Diversion Repair	\$30,000			\$30,000			
Bellvue Hatchery - Wells #1 & #2 REHABILITATE	\$60,000			\$60,000			
Pueblo SFU - Well #3 Rehabilitation	\$30,000			\$30,000			
	\$299,000						
GRANTS FOR IMPROVEMENTS, REPAIRS, DEVELOPMENT FOR WETLANDS AND SHOOTING RANGES							
Wetlands Projects	\$700,000	\$700,000					
Shooting Range Grant	\$500,000	\$500,000					
	\$1,200,000						
MAJOR REPAIRS AND SMALL IMPROVEMENTS							
Bellvue SFU - Residence - GH 43 - Wall - Exterior	\$7,200	\$7,200					
Denver SAA - Hunter Education Building - Electrical	\$15,000	\$15,000					
Pueblo Hatchery - Residence - GH6 - Roof	\$15,000	\$15,000					
Mount Shavano SFU - Packed Column Bldg - Roof	\$500	\$500					
Lamar Service Center SAA - Lamar Service Center - Roof	\$5,000	\$5,000					
Mount Shavano SFU - Residence - Manager GH77 - Window - Primary	\$30,000	\$30,000					
Monte Vista SFU - Residence - Wall - Exterior	\$30,000	\$30,000					
Denver Headquarters SAA - Northeast Service Center - Area 1 & 5 Offices - Wall -	\$43,000	\$43,000					
	\$145,700						
MISCELLANEOUS SMALL IMPROVEMENT PROJECTS							
Denver HQ - B647 File Storage	\$20,000		\$20,000				
Skaguay Reservoir SWA - Spillway Notching	\$123,000		\$123,000				
Colorado Springs Hangar - B560 Phase II	\$62,160		\$62,160				
Pueblo Hunter Ed - Phase II	\$100,000		\$100,000				
South Platte River Cleaning/sandbar maintenance	\$40,000		\$40,000				
Dome Rock SWA - Vault Toilet	\$28,800		\$28,800				
Denver HQ - B647 Replace Carpet in Main Hallways	\$41,430		\$41,430				
Mt. Orury SWA - Replace Diversion Structure	\$51,030		\$51,030				
Mike Higbee SWA - Irrigation Well Repair / Improvements	\$8,000		\$8,000				
Centennial Valley SWA - water measuring device	\$18,630		\$18,630				
South Republican SWA - B251 Office Remodel	\$15,000		\$15,000				
Higet SWA - Accessible Hunting Blind	\$21,500		\$21,500				
	\$529,550						
MOTOR BOAT ACCESS IMPROVEMENT, REPAIRS, DEVELOPMENT ON LAKES AND STREAMS							
Beaver Creek Reservoir SWA - Remote Gate Control	\$10,000				\$10,000		
Rio Blanco Lake SWA - Remove & Replace Double Vault Toilet	\$58,300				\$58,300		
Queens SWA - Nee Gronda Boat Ramp Extension	\$50,000				\$50,000		
Tarryall Reservoir SWA - Outhouse repairs	\$10,000				\$10,000		
DuWesse Reservoir SWA - Replace Vault Toilets	\$130,000				\$130,000		
Pueblo SWA - Vault Toilet Replacement	\$30,000				\$30,000		
Clear Creek Reservoir SWA - Boat Dock	\$60,000				\$60,000		
Groundhog Reservoir SWA - Boat Ramp Extension	\$52,500				\$52,500		
SE Region - Boat Ramp Maintenance	\$15,000				\$15,000		
Sanchez Reservoir SWA - Boat Ramp Improvements	\$71,990				\$71,990		
	\$487,790						
PROPERTY MAINTENANCE, IMPROVEMENT, AND DEVELOPMENT							
Turk's Pond SWA - New Well	\$50,000			\$50,000			
Miller Ranch SWA - Cunningham Ditch Improvements (Piping & Clearing) Phase 0	\$38,000			\$38,000			
Cottonwood SWA - Slough Renovation	\$40,000			\$40,000			
James Mark Jones SWA - Well Drilling & Development	\$69,600			\$69,600			
Chuck Lewis SWA - Shop Building-Phase II	\$100,000			\$100,000			
Miller Ranch SWA - Cunningham Ditch Repair / Improvements	\$30,000			\$30,000			
Cimarron SWA - Road Improvements	\$50,000			\$50,000			
South Republican SWA - Vault Toilets	\$86,400			\$86,400			
Blacktail SWA - Boundary Survey	\$34,000	\$34,000					
Monte Vista Service Center - Paving and drainage	\$110,000			\$110,000			
La Jara SWA - Fencing & Creek Crossings	\$303,000			\$303,000			
Hot Sulphur Springs SWA - Dolloff Ditch Pipeline	\$255,000			\$255,000			
Sarvis Creek SWA - East & South Boundary Survey and Fence	\$69,000	\$69,000					
Emerald Mountain SWA - Boundary Survey	\$32,000	\$32,000					
Beaver Creek SWA - Fencing	\$181,000			\$181,000			
	\$1,448,000						
SERVICE CENTER IMPROVEMENTS							
Grand Junction Service Center - Hunter Ed Building Supplemental Funds	\$210,043			\$210,043			
Fort Collins Service Center - B568 Front Desk Upgrades	\$33,000			\$33,000			
Montrose Service Center - Remodel Conference Room Etc.	\$91,200			\$91,200			
	\$334,243						
STREAM AND LAKE IMPROVEMENTS							
Badger Basin SWA - Perp. Easement, Hartel Town Site - Stream Imp	\$90,000	\$90,000					
Parachute SWA - Boat Ramp	\$117,022			\$117,022			
Oak Ridge SWA - Slespy Cat Ponds - Headgate	\$18,490			\$18,490			
Rifts Gap Reservoir - Downstream Fish Barrier DESIGN	\$21,600			\$21,600			
Dolores River SWA - Stream Habitat Improvements	\$115,000	\$115,000					
West Lake SWA - Ditch head gate repair	\$12,600			\$12,600			
	\$374,712						
5% Contingency	\$203,414				\$24,390		
	\$578,126						
SUB-TOTALS	\$10,396,689	\$1,625,000	\$606,879	\$2,471,600	\$681,030	\$512,180	\$4,500,000
TOTALS	\$10,396,689	\$2,231,879			\$8,164,810		
GRAND TOTAL	\$10,396,689				\$10,396,689		

* This proposal is contingent upon a letter note for all the operating appropriations authorizing three year spending authority and continuations.
 ** The long range projection for Controlled Maintenance is \$300,000 per year. The \$145,700 listed was an anomaly for this year. An annual budget of \$300,000 should be used. The difference between \$145,700 and \$300,000 can easily be used on the next tier of projects from year to year.

The Department states that the request is contingent on the General Assembly approving two footnotes that authorizes three year spending authority in order to allow the Division enough time to account for weather events that may extend the projects completion time to more than a year. If the footnote is not approved, the Division would prefer to keep the funding for these projects within the capital construction budget.

Staff recommendation for the narrative of the footnote is shown below:

"Department of Natural Resources, Division of Wildlife, Special Purpose, Grants and Habitat Partnerships - It is the intent of the General Assembly that the appropriation to this line item remain available until the completion of the project or the close of FY 2012-13, whichever comes first. At project completion or the end of FY 2012-13, any unexpended amount shall revert to the Wildlife Cash Fund established pursuant to Section 33-1-112 (1) (a), C.R.S."

"Department of Natural Resources, Division of Wildlife, Special Purpose, Asset Maintenance and Repairs - It is the intent of the General Assembly that the appropriation to this line item remain available until the completion of the project or the close of FY 2012-13, whichever comes first. At project completion or the end of FY 2012-13, any unexpended amount shall revert to the Wildlife Cash Fund established pursuant to Section 33-1-112 (1) (a), C.R.S."

Staff recommends that the Committee approve this Department request to include two new line items in the FY 2010-11 operating budget as described above. Staff also recommends including two footnotes for the Grants and Habitat Partnerships and Asset Maintenance and Repairs line items.

Indirect Cost Assessment

Staff does not recommend the Department's request for 3,363,830 for the purpose of indirect cost recoveries. Staff recommended a new indirect cost methodology during the discussion for the Executive Director's Office above. Based on staff recommendation in the EDO, staff recommends a total indirect cost assessment to the Division of Wildlife of \$3,507,100, including \$2,964,227 cash funds (Wildlife Cash Fund) and \$542,873 federal funds. This appropriation will be used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. After the JBC's figure setting decisions have been made, JBC staff will work with the Department to determine whether any revisions to the indirect cost plan will be required. If changes in indirect cost recoveries are necessary, staff will present them to the JBC for final approval prior to the introduction of the Long Bill.

Bottom Line Funding Recommendation

Staff recommends the following funding sources be reflected in the Long Bill. These sources are based on information provided in the Division of Wildlife's budget schedules. Staff will work with the Department to adjust any fund splits based on updated information or changes to common policy line items.

Summary of Recommendation – Division of Wildlife			
(9) (B) Special Purpose — Department of Natural Resources			
	Cash Funds	Federal Funds	Total Funds
Wildlife Commission Discretionary Fund	160,000	0	160,000
Game Damage Claims and Prevention	1,282,500	0	1,282,500
In stream Flow Program	296,027	0	296,027
S.B. 08-226 Aquatic Nuisance Species	1,304,544	0	1,304,544
Habitat Partnership Program	2,500,000	0	2,500,000
Grants and Habitat Partnerships	1,625,000	0	1,625,000
	606,880	0	606,880
Indirect Cost Assessment	<u>2,964,227</u>	<u>542,873</u>	<u>3,507,100</u>
Total Recommendation	10,739,178	542,873	11,282,051
Wildlife Cash Fund (Section 33-1-112 (1), C.R.S.)	6,685,514	0	6,685,514
Habitat Partnership Cash Fund (Section 33-1-112 (8) (a), C.R.S.)	2,500,000	0	2,500,000
Wildlife Aquatic Nuisance Species Fund (Section 33-10.5-108 (2)(a), C.R.S.)	1,304,544	0	1,304,544
Sale of Waterfowl Stamps (Section 33-4-102.5 (3)(a), C.R.S.)	200,000	0	200,000
Operational Account of the Severance Tax Trust Fund	49,120	0	49,120
Federal Funds	<u>0</u>	<u>542,873</u>	<u>542,873</u>
Total Recommendation	10,739,178	542,873	11,282,051

REQUESTS FOR INFORMATION

- Staff recommends the Committee request a report by State Parks to be provided no later than September 1, 2010, in which the Department will identify the agency's sources and uses of all the agency's funding sources (including lottery, General Fund, cash funds, federal funds, GOCO, etc.).

Staff recommended request for information. Similar to the FY 2009-10 request, Staff recommends the Committee request a report by State Parks to be provided no later than September 1, 2010, in which the Department will identify the agency's sources and uses of all the agency's funding sources (including lottery, General Fund, cash funds, federal funds, GOCO, etc.). **Staff recommends that the JBC approve the following continuing request for information.**

Department of Natural Resources, Parks and Outdoor Recreation - The division of Parks and Outdoor Recreation is requested to provide the Joint Budget Committee with a report on division sources of revenue as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds used for operations and capital projects. The report is requested to be submitted by September 1, 2010.

On the following page are two summary tables of the report that Parks provided last year:

FY 2008-09 State Parks
Revenues and Expenditures - Consolidated

FY 08-09

PY 1

Revenues

Parks Passes and Entry Fees	9,739,314
Permits and User Fees	6,754,400
Sale of Goods, Services	550,225
Concession / Lease Income	1,147,337
Registration Fees - Boats	2,568,204
Registration Fees - Other	4,828,933
Federal Funds	4,615,152
State Funds (STAX, SCTF)	6,062,521
GOCO Parks Purpose	5,102,422
GOCO Other Purpose	0
Lottery 10% Distribution	11,960,386
Interest Income	708,130
Other Revenues	<u>592,106</u>
Subtotal, Earned Revenue	54,629,130
Transfers In	0
General Fund	<u>6,760,164</u>
Total Revenue	<u><u>61,389,294</u></u>

Expenditures

Personal Services	
Permanent Salaries / Ben	20,342,364
<i>FTE</i>	
Temporary Wages	1,733,587
Contract Personal Serv	5,446,101
Operating	
Purchased Services	4,401,243
Supplies	2,106,872
Travel / Vehicles	1,583,505
Utilities / Communications	1,706,827
Information Technology	547,205
Equipment	1,579,155
Grants	3,089,410
Other	445,842
Transfers Out	<u>2,014,837</u>
Subtotal, Operating	44,996,948
Capital Construction	
Land, Water Acq & Protection	825,143
Contract Construction Serv	7,656,782
Purchase Capital Improvements	273,800
Other Capital Construction	<u>0</u>
Subtotal Capital Construction	8,755,725
Total Expenditures	<u><u>53,752,673</u></u>
Net Income	<u><u>7,636,621</u></u>

Notes

Division of Parks and Outdoor Recreation, Source and Use of Funds
FY 2008-09 - All Funds Combined

	Park Revenue	Registration	Federal	State	Lottery	GOCO	GF	Other	TOTAL Uses
Expenditures									
Personal Services									
Permanent Salaries / Ben	10,008,363	1,664,345	1,037,078	1,509,466	286,245	1,709,021	3,825,702	302,145	20,342,364
<i>FTE</i>									
Temporary Wages	631,514	104,277	65,438	501,957	18,061	152,381	241,394	18,564	1,733,587
Contract Personal Serv	1,736,622	336,866	205,005	927,831	1,015,425	454,417	663,840	106,096	5,446,101
Operating									
Purchased Services	1,125,336	225,174	306,958	261,977	1,181,131	761,286	430,177	109,204	4,401,243
Supplies	929,540	195,080	92,856	191,048	291,807	86,611	270,264	49,667	2,106,872
Travel / Vehicles	765,765	169,719	79,376	113,077	30,609	107,374	292,724	24,862	1,583,505
Utilities / Communications	799,082	125,627	87,290	115,212	135,240	109,747	305,447	29,182	1,706,827
Information Technology	10,500	1,613	2,395	9,687	486,220	8,513	4,013	24,263	547,205
Equipment	509,949	145,868	78,482	336,585	222,525	55,543	194,957	35,245	1,579,155
Grants	52,543	1,422,483	588,240	45,931	1,332,201	-546,413	20,692	173,734	3,089,410
Other	222,115	39,932	22,776	28,729	20,810	17,716	83,874	9,891	445,842
Transfers Out	1,092,763	164,165	113,232	141,758	31,253	469,970	417,704	32,107	2,462,953
Subtotal, Operating	17,884,091	4,595,148	2,679,126	4,183,257	5,051,526	3,386,166	6,750,789	914,961	45,445,064
Capital Construction									
Land and Water Acquisition	0	0	0	0	0	825,143	0	0	825,143
Contract Construction Serv	24,526	3,640	1,891,307	317,827	3,916,946	1,335,899	9,375	157,261	7,656,782
Purchase Capital Improvement:	0	0	-639	4,104	257,678	-86	0	12,743	273,800
Other Capital Construction	0	0	0	0	0	0	0	0	0
Subtotal Capital Construction	24,526	3,640	1,890,669	321,931	4,174,624	2,160,956	9,375	170,004	8,755,725
In/ Out of Fund Equity	282,659	2,798,349	45,357	1,557,333	2,734,236	3,414	0	215,273	7,636,621
Total Sources	18,191,276	7,397,137	4,615,152	6,062,521	11,960,386	5,550,536	6,760,164	1,300,238	61,837,410

ADDITIONAL BALANCING OPTIONS

Staff does not currently have a more up-to-date analysis from the January 13, 2010, Memo titled "Other Balancing Options" which discussed possible General Fund balancing transfers from the CWCB Construction Fund and the Perpetual Base Account of the Severance Tax Trust Fund. As of February, 2, 2010, the Committee had decided to transfer \$25,000,000 from the CWCB Construction Fund into the General Fund for FY 2009-10. Staff is currently in discussions with the Department to continue to analyze the funding status of the two funds and be able to provide more updated information to the Committee at a later date.

MEMORANDUM

TO: Joint Budget Committee

FROM: Viktor Bojilov, JBC Staff

SUBJECT: Update to JBC Staff Recommendation on Department of Natural Resources "Other Balancing Options" Section

DATE: February 9, 2010

This memorandum presents an update to JBC staff recommendation on "Other Balancing Options" for the Department of Natural Resources. *Table A* summarized JBC staff estimate based on the Department of Natural Resources Budget Briefing document from December 22, 2009. *Table B* summarizes JBC staff estimate based on updated information provided by the Department on January 13, 2010. *Table C* summarizes JBC staff estimate based on updated information provided by the Department on February 8, 2010.

Table A

**Options for Transfers to the General Fund
(Data From JBC Staff DNR Budget Briefing December 22, 2009)**

	FY 2009-10	FY 2010-11
CWCB Construction Fund	33,900,000	19,100,000
Perpetual Base Account of the Severance Tax Trust Fund	<u>5,200,000</u>	<u>48,300,000</u>
Total	\$39,100,000	\$67,400,000

Table B

**Options for Transfers to the General Fund
(Based on Updated Information Provided by DNR on January 13, 2010)**

	FY 2009-10	FY 2010-11
CWCB Construction Fund	25,000,000	19,000,000
Perpetual Base Account of the Severance Tax Trust Fund	<u>3,900,000</u>	<u>48,300,000</u>
Total	\$28,900,000	\$67,300,000

Table C		
Options for Transfers to the General Fund		
(Based on Updated Information Provided by DNR on February 9, 2010)		
	FY 2009-10	FY 2010-11
CWCB Construction Fund	19,685,051	9,581,372
Perpetual Base Account of the Severance Tax Trust Fund	<u>4,994,201</u>	<u>49,331,153</u>
Total	\$24,679,252	\$58,912,525

Other Balancing Options. Description of funds.

Colorado Water Conservation Board Construction Fund

The Colorado Water Conservation Board Construction Fund, created in Section 37-60-121 (1) (a), C.R.S., provides loans for projects which will increase the beneficial consumptive use of Colorado's undeveloped compact entitled waters. Statute instructs the Colorado Water Conservation Board to participate in only those projects that can repay the board's investment. Grants are not allowed, unless specifically authorized by the general assembly through a bill.

The Construction Fund is a partially self-supporting revolving loan fund. Revenues come from the return of principal and interest on outstanding loans, interest earned on the cash balance of the fund through investments by the State Treasurer, and federal mineral lease (FML) fund distributions. Senate Bill 08-218 modified the allocation of the state's portion of FML revenue by segregating FML bonus payment revenue and reallocation as well as non-bonus (rent and royalty) FML revenue reallocation. Senate Bill 08-218 amended statute so that beginning with FY 2008-09, the CWCB Construction fund receives a distribution of 10.0 percent of non-bonus revenue, up to \$14.0 million. The amount transferred is allowed to grow by 4 percent annually in succeeding years.

The Construction Fund also pays for the administrative expenses of the Colorado Water Conservation Board (CWCB). For FY 2009-10 the CWCB estimates that it will need \$7.3 million for salaries and operating costs. The CWCB anticipated providing \$5.5 million in non-reimbursable investments (S.B. 09-125) and \$11.4 million in loans. As of February 8, 2010, the Board anticipates needing \$3.3 million for non-reimbursable investments.

During the JBC staff budget briefing (**TABLE 2**) for the Department of Natural Resources from

December 22, 2009, staff estimated that if the CWCB Construction Fund were to only provide funding for CWCB operations, the General Assembly could transfer additional amounts up to \$33.9 million to the General Fund in FY 2009-10 and up to \$19.1 million in FY 2010-11. **On January 13, 2010, (TABLE 3) staff received a communication from the Department stating that the CWCB Board had already approved \$7,007,885 in small project loans from the Construction Fund through December 2009. In addition, the 2009 Projects Bill (S.B. 09-125) included \$5,530,000 for non-reimbursable investments in FY 2009-10. The Department stated that over \$1,000,000 of the S.B. 09-125 non-reimbursable investment funds have been encumbered or expended. JBC staff has adjusted his analysis by reducing the amount of potential transfer to the General Fund from the CWCB Construction fund by \$9,007,885 in FY 2009-10 in order to account for the information provided by the Department. The updated staff estimate for available funds that the General Assembly could transfer out of the CWCB Construction Fund to the General Fund as a budget balancing action as of January 13, 2010, are shown in TABLE 3 below and were \$25,000,000 in FY 2009-10 and \$19,000,000 in FY 2010-11.**

On February 8, 2010, the Department showed staff new calculations including Board actions during their January 2010 meeting approving additional loan issuances (TABLE 4). This action of the Board reduced available moneys for a potential transfer to the General Fund by approximately \$5.3 million. If the \$25.0 million transfer to the General Fund stays as is currently written in H.B. 10-1327, the projection is that there will not be enough funding to achieve the transfer. According to Department projections, the maximum amount that can be transferred out in FY 2009-10 is \$19,685,051.

In addition, the Department states that the CWCB Construction Fund is set to consider the following: (1) \$5,000,000 in Construction Fund loans at the March 2010 CWCB Board meeting; (2) \$4,000,000 in Construction Fund loans at the May 2010 CWCB Board meeting.

Colorado Water Conservation Board Construction Fund FROM DEPARTMENT NOVEMBER 4, 2009 SCHEDULES				
TABLE 1	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate
Cash Balance - Beginning of Year	\$8,775,717	\$13,282,580	\$19,305,372	\$6,024,025
Revenues	28,884,363	45,300,023	22,160,220	26,662,272
<i>CWCB Operations</i>	(5,790,824)	(6,255,134)	(7,269,359)	(7,438,451)
<i>Non-Reimbursable Investments</i>	(3,828,890)	(4,724,563)	(5,530,000)	(3,700,000)
<i>Loan Issuances</i>	(14,757,786)	(18,047,534)	(22,642,208)	(18,000,000)
<i>Total Expenditures</i>	<u>(24,377,500)</u>	<u>(29,027,231)</u>	<u>(35,441,567)</u>	<u>(29,138,451)</u>
Ending FY Balance without transfer	\$13,282,580	\$29,555,372	\$6,024,025	\$3,547,846

Colorado Water Conservation Board Construction Fund FROM DEPARTMENT NOVEMBER 4, 2009 SCHEDULES				
TABLE 1	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate
Transfer to the General Fund in S.B. 09-208	<u>0</u>	<u>(10,250,000)</u>	<u>0</u>	<u>0</u>
Ending Balance after transfers	\$13,282,580	\$19,305,372	\$6,024,025	\$3,547,846

Colorado Water Conservation Board Construction Fund OPTIONS FOR TRANSFERS TO GENERAL FUND IN FY 2009-10 and FY 2010-11 (From JBC Staff December 22, 2009, Briefing Document)				
TABLE 2	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate
Cash Balance - Beginning of Year	\$8,775,717	\$13,282,580	\$19,305,372	\$69,811
Revenues	28,884,363	45,300,023	21,933,798	26,482,272
<i>CWCB Operations</i>	<i>(5,790,824)</i>	<i>(6,255,134)</i>	<i>(7,269,359)</i>	<i>(7,438,451)</i>
<i>Non-Reimbursable Investments</i>	<i>(3,828,890)</i>	<i>(4,724,563)</i>	<i>0</i>	<i>0</i>
<i>Loan Issuances</i>	<i>(14,757,786)</i>	<i>(18,047,534)</i>	<i>0</i>	<i>0</i>
<i>Total Expenditures</i>	<i><u>(24,377,500)</u></i>	<i><u>(29,027,231)</u></i>	<i><u>(7,269,359)</u></i>	<i><u>(7,438,451)</u></i>
Ending FY Balance without transfer	\$13,282,580	\$29,555,372	\$33,969,811	\$19,113,632
Transfer to the General Fund in S.B. 09-208	0	(10,250,000)	0	0
Options for Additional Transfers to the General Fund	<u>0</u>	<u>0</u>	<u>(33,900,000)</u>	<u>(19,100,000)</u>
Ending Balance after transfers	\$13,282,580	\$19,305,372	\$69,811	\$13,632

Colorado Water Conservation Board Construction Fund OPTIONS FOR TRANSFERS TO GENERAL FUND IN FY 2009-10 and FY 2010-11 (JANUARY 13, 2010, UPDATED ANALYSIS)				
TABLE 3	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate
Cash Balance - Beginning of Year	\$8,775,717	\$13,282,580	\$19,305,372	\$52,005
Revenues	28,884,363	45,300,023	22,023,877	26,482,272
<i>CWCB Operations</i>	<i>(5,790,824)</i>	<i>(6,255,134)</i>	<i>(7,269,359)</i>	<i>(7,438,451)</i>
<i>Non-Reimbursable Investments</i>	<i>(3,828,890)</i>	<i>(4,724,563)</i>	<i>(2,000,000)</i>	<i>0</i>

Colorado Water Conservation Board Construction Fund				
OPTIONS FOR TRANSFERS TO GENERAL FUND IN FY 2009-10 and FY 2010-11				
(JANUARY 13, 2010, UPDATED ANALYSIS)				
TABLE 3	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate
<i>Loan Issuances</i>	(14,757,786)	(18,047,534)	(7,007,885)	0
<i>Total Expenditures</i>	<u>(24,377,500)</u>	<u>(29,027,231)</u>	<u>(16,277,244)</u>	<u>(7,438,451)</u>
Ending FY Balance without transfer	\$13,282,580	\$29,555,372	\$25,052,005	\$19,095,826
Transfer to the General Fund in S.B. 09-208	0	(10,250,000)	0	0
Options for Additional Transfers to the General Fund	<u>0</u>	<u>0</u>	<u>(25,000,000)</u>	<u>(19,000,000)</u>
Ending Balance after transfers	\$13,282,580	\$19,305,372	\$52,005	\$95,826

Colorado Water Conservation Board Construction Fund				
OPTIONS FOR TRANSFERS TO GENERAL FUND IN FY 2009-10 and FY 2010-11				
(February 8, 2010, UPDATED ANALYSIS)				
TABLE 4	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate*	FY 2011-12 Estimate*
Cash Balance - Beginning of Year	\$13,282,580	\$20,278,862	(\$5,314,949)	\$9,581,372
Revenues	45,300,023	21,426,006	26,662,272	29,954,871
<i>CWCB Operations</i>	(6,255,134)	(7,269,359)	(7,338,451)	(7,515,405)
<i>Non-Reimbursable Investments</i>	(4,724,563)	(3,325,000)	(4,427,500)	(4,427,500)
<i>Loan Issuances</i>	(18,047,534)	(11,425,458)	0	0
<i>Total Expenditures</i>	<u>(29,027,231)</u>	<u>(22,019,817)</u>	<u>(11,765,951)</u>	<u>(11,942,905)</u>
Ending FY Balance without transfer	\$29,555,372	\$19,685,051	\$9,581,372	\$27,593,338
Transfer to the General Fund in S.B. 09-208	(10,250,000)	0	0	0
H.B. 10-1327 (Section 9) as Introduced in the House	<u>0</u>	<u>(25,000,000)</u>	<u>0</u>	<u>0</u>
Ending Balance after transfers	\$19,305,372	(\$5,314,949)	\$9,581,372	\$27,593,338

* For FY 2010-11 and FY 2011-12 estimates, the table shows potential ending fund balances if there were no new loan issuances. However, since the Construction Fund is a partially self-supporting revolving loan fund, final revenues and ending fund balances may be lower depending on how much gets transferred out of the fund, the number of loans that end up being issued in FY 2009-10, FY 2010-11, and FY 2011-12, and revenue projection changes.

Perpetual Base Account of the Severance Tax Trust Fund

The Severance Tax Perpetual Base Account is authorized in Section 39-29-109 (2) (a), C.R.S., to be used for the same purposes as the Colorado Water Conservation Board Construction Fund. Specifically, to fund directly or provide loans for construction, rehabilitation, enlargement, or improvement of water projects. The Severance Tax Perpetual Base Account receives half of receipts to the severance tax trust fund (one fourth of all severance tax income). This fund is a revolving loan account, as such no permanent programs depend on this fund.

Similar to the analysis above, during the JBC staff budget briefing for the Department of Natural Resources from December 22, 2009, staff estimated that the General Assembly could transfer additional amounts up to \$5.2 million to the General Fund in FY 2009-10 and up to \$48.3 million to the General Fund in FY 2010-11 (**TABLE 6**). **On January 13, 2010, staff received a communication from the Department stating that the CWCB Board has already approved \$1,288,362 in project loans for FY 2009-10 (TABLE 7).** JBC staff adjusted his analysis by reducing the amount of potential transfer to the General Fund in FY 2009-10 from the Perpetual Base Account by \$1,288,362 in order to account for the information provided by the Department.

On February 8, 2010, the Department informed staff that the Board will not be providing agriculture emergency drought loans totaling \$1.0 million, so there could be up to \$5.0 million available to be transferred in FY 2009-10 (TABLE 8).

Perpetual Base Account of the Severance Tax Trust Fund FROM DEPARTMENT NOVEMBER 4, 2009 SCHEDULES				
TABLE 5	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate
Cash Balance - Beginning of Year	\$43,702,079	\$18,058,960	\$40,454,321	\$5,282,563
<i>Receivables/Interest Earnings</i>	<i>10,507,640</i>	<i>11,071,624</i>	<i>6,858,689</i>	<i>7,827,329</i>
<i>Severance Tax</i>	<i>37,868,413</i>	<i>71,253,177</i>	<i>17,911,500</i>	<i>38,264,500</i>
<i>Principal Repayment</i>	<i>2,731,028</i>	<i>3,099,696</i>	<i>3,058,053</i>	<i>3,176,009</i>
<i>Total Revenues</i>	<i>51,107,081</i>	<i>85,424,497</i>	<i>27,828,242</i>	<i>49,267,838</i>
Loan Issuances/Drought Grants	<u>(76,750,200)</u>	<u>(28,029,136)</u>	<u>(1,000,000)</u>	<u>(42,000,000)</u>
Ending FY Balance without transfer	\$18,058,960	\$75,454,321	\$67,282,563	\$12,550,401
Transfer to the General Fund in S.B. 09-208	0	(20,000,000)	0	0
Transfer to the General Fund in S.B. 09-279*	<u>0</u>	<u>(15,000,000)</u>	<u>(62,000,000)</u>	<u>0</u>
Ending Balance after transfers	\$18,058,960	\$40,454,321	\$5,282,563	\$12,550,401

* The Department of Natural Resources states that there is not enough unobligated cash in the Perpetual Base Account to satisfy the transfer requirement in S.B. 09-279. An estimated \$37.0 million will come from money set aside for authorized projects that are not yet under contract or have not yet been fully completed.

Perpetual Base Account of the Severance Tax Trust Fund				
OPTIONS FOR TRANSFERS TO GENERAL FUND IN FY 2009-10 and FY 2010-11				
(From JBC Staff December 22, 2009, Briefing Document)				
TABLE 6	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate
Cash Balance - Beginning of Year	\$43,702,079	\$18,058,960	\$40,454,321	\$82,563
<i>Receivables/Interest Earnings</i>	<i>10,507,640</i>	<i>11,071,624</i>	<i>6,858,689</i>	<i>7,827,329</i>
<i>Severance Tax</i>	<i>37,868,413</i>	<i>71,253,177</i>	<i>17,911,500</i>	<i>38,264,500</i>
<i>Principal Repayment</i>	<i>2,731,028</i>	<i>3,099,696</i>	<i>3,058,053</i>	<i>3,176,009</i>
<i>Total Revenues</i>	<i>51,107,081</i>	<i>85,424,497</i>	<i>27,828,242</i>	<i>49,267,838</i>
Loan Issuances/Drought Grants	<u>(76,750,200)</u>	<u>(28,029,136)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Ending FY Balance without transfer	\$18,058,960	\$75,454,321	\$67,282,563	\$48,350,401
Transfer to the General Fund in S.B. 09-208	0	(20,000,000)	0	0
Transfer to the General Fund in S.B. 09-279	0	(15,000,000)	(62,000,000)	0
Options for Additional Transfers to the General Fund	<u>0</u>	<u>0</u>	<u>(5,200,000)</u>	<u>(48,300,000)</u>
Ending Balance after transfers	\$18,058,960	\$40,454,321	\$82,563	\$50,401

Perpetual Base Account of the Severance Tax Trust Fund				
OPTIONS FOR TRANSFERS TO GENERAL FUND IN FY 2009-10 and FY 2010-11				
(JANUARY 13, 2010, UPDATED ANALYSIS)				
TABLE 7	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate
Cash Balance - Beginning of Year	\$43,702,079	\$18,058,960	\$40,454,321	\$94,201
<i>Receivables/Interest Earnings</i>	<i>10,507,640</i>	<i>11,071,624</i>	<i>6,858,689</i>	<i>7,827,329</i>
<i>Severance Tax</i>	<i>37,868,413</i>	<i>71,253,177</i>	<i>17,911,500</i>	<i>38,264,500</i>
<i>Principal Repayment</i>	<i>2,731,028</i>	<i>3,099,696</i>	<i>3,058,053</i>	<i>3,176,009</i>
<i>Total Revenues</i>	<i>51,107,081</i>	<i>85,424,497</i>	<i>27,828,242</i>	<i>49,267,838</i>
Loan Issuances/Drought Grants	<u>(76,750,200)</u>	<u>(28,029,136)</u>	<u>(2,288,362)</u>	<u>(1,000,000)</u>

Perpetual Base Account of the Severance Tax Trust Fund				
OPTIONS FOR TRANSFERS TO GENERAL FUND IN FY 2009-10 and FY 2010-11				
(JANUARY 13, 2010, UPDATED ANALYSIS)				
TABLE 7	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate
Ending FY Balance without transfer	\$18,058,960	\$75,454,321	\$65,994,201	\$48,362,039
Transfer to the General Fund in S.B. 09-208	0	(20,000,000)	0	0
Transfer to the General Fund in S.B. 09-279	0	(15,000,000)	(62,000,000)	0
Options for Additional Transfers to the General Fund	<u>0</u>	<u>0</u>	<u>(3,900,000)</u>	<u>(48,300,000)</u>
Ending Balance after transfers	\$18,058,960	\$40,454,321	\$94,201	\$62,039

Perpetual Base Account of the Severance Tax Trust Fund				
OPTIONS FOR TRANSFERS TO GENERAL FUND IN FY 2009-10 and FY 2010-11				
(February 8, 2010, UPDATED ANALYSIS)				
TABLE 8	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Cash Balance - Beginning of Year	\$18,058,960	\$40,454,321	\$0	\$0
<i>Receivables/Interest Earnings</i>	<i>11,071,624</i>	<i>6,858,689</i>	<i>7,827,329</i>	<i>(701,269)</i>
<i>Severance Tax</i>	<i>71,253,177</i>	<i>17,911,500</i>	<i>38,264,500</i>	<i>45,427,000</i>
<i>Principal Repayment</i>	<u><i>3,099,696</i></u>	<u><i>3,058,053</i></u>	<u><i>3,239,324</i></u>	<u><i>5,547,260</i></u>
<i>Total Revenues</i>	<i>85,424,497</i>	<i>27,828,242</i>	<i>49,331,153</i>	<i>50,272,991</i>
Loan Issuances/Drought Grants*	<u>(28,029,136)</u>	<u>(1,288,362)</u>	<u>0</u>	<u>0</u>
Ending FY Balance without transfer	\$75,454,321	\$66,994,201	\$49,331,153	\$50,272,991
Transfer to the General Fund in S.B. 09-208	(20,000,000)	0	0	0
Transfer to the General Fund in S.B. 09-279	(15,000,000)	(62,000,000)	0	0
Options for Additional Transfers to the General Fund	<u>0</u>	<u>(4,994,201)</u>	<u>(49,331,153)</u>	<u>0</u>
Ending Balance after transfers	\$40,454,321	\$0	\$0	\$50,272,991

* For FY 2010-11 and FY 2011-12, staff has adjusted the Loan Issuances/Drought Grants line item to show how much would be available for additional transfers to the General Fund if there are no loans or drought grants issued in that year.