

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2015-16 STAFF FIGURE SETTING  
DEPARTMENT OF NATURAL RESOURCES**

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

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## DEPARTMENT OF NATURAL RESOURCES

### Department Overview

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

- The **Executive Director's Office** (EDO) develops department-wide policies and provides administrative and technical support for Department divisions including budgeting, accounting, financial management, and human resources services. Pursuant to H.B. 13-1057, the **Colorado Avalanche Information Center** is included as a special program within this division.<sup>1</sup>
- The **Division of Reclamation, Mining, and Safety** (DRMS) regulates development and reclamation at mining sites, reclaims abandoned mine sites, and provides safety training for mine operators and employees.
- The **Oil and Gas Conservation Commission** (OGCC) promotes the exploration, development, and conservation of Colorado's oil and natural gas resources by issuing permits, conducting inspections, pursuing enforcement actions, and engaging in public outreach efforts.
- The **State Board of Land Commissioners** (State Land Board) manages agricultural, commercial, mineral, and other leases on state-owned lands to generate reasonable and consistent revenue for public schools and other trust beneficiaries over time.
- The **Division of Parks and Wildlife** (DPW) provides recreational opportunities at 42 state parks, manages 960 game and non-game wildlife species, issues hunting and fishing licenses, enforces wildlife regulations, and administers more than 295 state wildlife areas.
- The **Colorado Water Conservation Board** (CWCB) works to conserve, develop, and protect the state's water resources to ensure adequate water supply, maximize beneficial use, and reduce the impact of flooding and drought.
- The **Water Resources Division** (DWR), also known as the State Engineer's Office, administers and enforces water rights, issues well permits, monitors streamflow and water use, regulates dam construction and safety, and represents Colorado in interstate water compact proceedings.

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<sup>1</sup>Pursuant to H.B. 12-1355, the Colorado Geological Survey was transferred out of the Department of Natural Resources to the Colorado School of Mines, effective January 31, 2013.

## DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

### Executive Request

The Department of Natural Resources requests an appropriation of \$252,384,279 total funds, including \$26,729,294 General Fund, and 1450.1 FTE for FY 2015-16.

### Staff Recommendation

Staff recommends an appropriation of \$247,691,392 total funds, including \$26,718,490 General Fund, and 1449.1 FTE. The primary differences between the request and the recommendation are: (1) centrally appropriated line item adjustments in accordance with Committee-approved common policy; and (2) the staff recommendation on request R1 related to staffing for the Oil and Gas Conservation Commission.

<b>Department of Natural Resources</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$244,161,842	\$26,226,310	\$181,018,196	\$8,026,022	\$28,891,314	1,443.1
Other legislation	11,960,425	0	11,960,425	0	0	0.9
SB 15-156 (Supplemental)	<u>(369,451)</u>	<u>83,019</u>	<u>(491,479)</u>	<u>77,428</u>	<u>(38,419)</u>	<u>0.7</u>
<b>TOTAL</b>	<b>\$255,752,816</b>	<b>\$26,309,329</b>	<b>\$192,487,142</b>	<b>\$8,103,450</b>	<b>\$28,852,895</b>	<b>1,444.7</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$255,752,816	\$26,309,329	\$192,487,142	\$8,103,450	\$28,852,895	1,444.7
R1 Additional staffing for field operations and hearings	260,220	0	260,220	0	0	1.0
R2 Enhanced water administration	170,869	170,869	0	0	0	2.4
R3/BA3 CAIC administrative changes	230,024	(28,210)	20,611	237,623	0	1.4
R4 Reauthorize funding to reclaim forfeited mine sites	127,000	0	127,000	0	0	0.0
JBC staff initiated line item consolidation	0	0	0	0	0	0.0
Centrally appropriated line items	2,707,254	2,163,933	1,464,956	(1,284,713)	363,078	0.0
Indirect cost assessment	415,438	(1,765,987)	486,573	1,765,987	(71,135)	0.0
Annualize prior year funding	<u>(11,972,229)</u>	<u>(131,444)</u>	<u>(11,736,478)</u>	<u>(86,802)</u>	<u>(17,505)</u>	<u>(0.4)</u>
<b>TOTAL</b>	<b>\$247,691,392</b>	<b>\$26,718,490</b>	<b>\$183,110,024</b>	<b>\$8,735,545</b>	<b>\$29,127,333</b>	<b>1,449.1</b>
<b>Increase/(Decrease)</b>	(\$8,061,424)	\$409,161	(\$9,377,118)	\$632,095	\$274,438	4.4
Percentage Change	(3.2%)	1.6%	(4.9%)	7.8%	1.0%	0.3%
<b>FY 2015-16 Executive Request</b>	<b>\$252,384,279</b>	<b>\$26,729,294</b>	<b>\$187,093,913</b>	<b>\$8,756,019</b>	<b>\$29,805,053</b>	<b>1,450.1</b>
Request Above/(Below) Recommendation	\$4,692,887	\$10,804	\$3,983,889	\$20,474	\$677,720	1.0

## **Description of Incremental Changes**

**R1 Additional staffing for field operations and hearings:** The recommendation includes \$260,220 cash funds and 1.0 FTE for the Oil and Gas Conservation Commission to add a Hearing Officer responsible for processing applications for orders on well spacing and the pooling of mineral interests.

**R2 Enhanced water administration:** The recommendation includes \$170,869 General Fund and 2.4 FTE for the Water Resources Division to add a statewide coordinator for the Water Rights Tabulation and Diversion Records teams, and provide funding for additional deputy well and water commissioners in response to increasing water administration responsibilities in the Arkansas and Yampa River basins.

**R3/BA3 CAIC administrative changes:** The recommendation includes \$230,024 total funds, including a decrease of \$28,210 General Fund, and 1.4 FTE for the Colorado Avalanche Information Center to add a full-time forecaster in FY 2015-16, and continue the appropriation for a highway forecaster, equipment, vehicles, leased space, and administrative support approved during the FY 2014-15 supplemental process.

**R4 Reauthorize funding to reclaim forfeited mine sites:** The recommendation includes \$127,000 cash funds from the Reclamation Warranty and Forfeiture Fund for the DRMS to provide spending authority for Tier II Severance Tax Operational Fund revenue transferred pursuant to H.B. 15-1150 (Sev Tax Op Fund Transfers for Mine Reclamation). This includes a net-zero transfer of 0.3 FTE within the Inactive Mines Program.

**JBC staff initiated line item consolidation:** The recommendation includes the elimination of the Inactive Mines–Abandoned Mine Safety line item in the Division of Reclamation Mining and Safety, and the transfer of \$99,850 cash funds and 0.2 FTE to the Inactive Mines–Program Costs line item.

**Centrally appropriated line items:** The recommendation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; shift differential; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; leased space; Capitol complex leased space; CORE operations; and payments to OIT. *Please note staff recommendation for legal services and payments to OIT is pending Committee action.*

**Indirect cost assessment:** The recommendation includes a net increase in the Department's indirect cost assessments.

**Annualize prior year funding:** The recommendation includes a decrease of \$11,972,229 million total funds to reflect the FY 2015-16 impact of prior year budget actions and legislation. This includes a reduction of \$6.5 million for S.B. 14-188 (Species Conservation Trust Fund Projects) and \$5.4 million for H.B. 14-1333 (CWCB Projects Bill).

## INITIATIVE AFFECTING MULTIPLE LINE ITEMS

### ➔ R4 Reauthorize Funding to Reclaim Forfeited Mine Sites

**Request:** The Department requests the reauthorization of \$127,000 cash funds from Tier I of the Severance Tax Operational Fund for the Division of Reclamation, Mining, and Safety (DRMS) to reclaim *post-law* forfeited mine sites with insufficient bonds. This includes a net-zero transfer of 0.3 FTE to the Reclamation of Forfeited Mine Sites line item to more accurately reflect staff time required to manage reclamation projects.

**Recommendation:** In accordance with H.B. 15-1150, staff recommends an appropriation of \$127,000 cash funds from the *Reclamation Warranty and Forfeiture (RWF) Fund*, as well as the transfer of 0.3 FTE from the DRMS Inactive Mines–Program Costs line item to the Inactive Mines–Reclamation of Forfeited Mine Sites line item. The following table summarizes the impact to affected line items in the Executive Director's Office and the Division of Reclamation Mining and Safety.

<b>Line Items Affected by R4 Reauthorize Funding to Reclaim Forfeited Mine Sites</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>Executive Director's Office – Administration</b>				
Health Life Dental	\$3,742	\$0	\$3,742	0.0
Short-term Disability	58	0	58	0.0
AED	1,052	0	1,052	0.0
SAED	986	0	986	0.0
<b>Division of Reclamation Mining and Safety</b>				
<b>(B) Inactive Mines</b>				
Program Costs	0	0	0	(0.3)
Reclamation of Forfeited Mine Sites	<u>121,162</u>	<u>0</u>	<u>121,162</u>	<u>0.3</u>
<b>TOTAL</b>	<b>\$127,000</b>	<b>\$0</b>	<b>\$127,000</b>	<b>0.0</b>

Staff also recommends the continuation of the following Long Bill footnote that provides three-year roll-forward spending authority:

**XX Department of Natural Resources, Division of Reclamation, Mining, and Safety, Inactive Mines, Reclamation of Forfeited Mine Sites** -- This appropriation to this line item remain available until the completion of the project or the close of ~~FY 2016-17~~ FY 2017-18, whichever comes first. At project completion or the end of the three-year period, any unexpended amount shall revert to the Severance Tax Operational Fund, ~~from which this appropriation was made.~~

Staff is in the process of working with Legislative Legal Services on the wording of the footnote to ensure that unexpended funds from the transfer to the RWF Fund will revert back to the Severance Tax Operational Fund. Staff requests permission to reflect any adjustments to the footnote for that purpose.

**Analysis:** The Department is requesting the reauthorization of funding for reclamation projects at *post-law* mine sites, abandoned after the passage of the Surface Mining Control and Reclamation Act (SMCRA) in 1977. These mines are *not* eligible for federal funding under the provisions of SMCRA, or cash funds from the Severance Tax Operational Fund specifically designated for use on pre-law or legacy mines.

In FY 2007-08, the DRMS received \$1.7 million cash funds over eight years from the Severance Tax Operational Fund to cover the bonding shortfall from a total 53 *post-law* forfeited mine sites. Between 1977 and 1993, mine operators were required to post bonds to offset the cost of reclamation in case of forfeiture under Colorado's Mined Land Reclamation Act and Surface Coal Mining Reclamation Act. During this period, bond amounts were set in statute based on acreage and type of mine, not tailored to individual mine sites, and occasionally proved insufficient to cover the full cost of reclamation work at some forfeited mine sites.

Since the amendment of the Colorado Mined Land Reclamation Act in 1993, bonds have been calculated for individual mines based on size, type of disturbance, on-site structures, environmental impacts, and construction costs. Post-1993 bonds have generally been adequate to cover reclamation costs at most mine sites, and financial warranty amounts have been adjusted for sites with bonds capped under previous law. However, there are two circumstances that may still leave the DRMS without sufficient bonds to complete mine site reclamation:

- 1) Bond requirements are reviewed every three to four years as part of the inspection process, and can be increased to reflect inflation and account for any new site developments that impact the cost of reclamation. If operators cannot secure the increased bond amount, the permit is revoked and the site may be abandoned or forfeited without sufficient funds to complete the required reclamation.
- 2) Although the DRMS is an assignor on every bond, there have been instances where bond failure has occurred because funds were released to an operator without notice to the agency, collateral was deemed insufficient, or bond records were lost in the course of company mergers.

To address future bonding shortfalls or failures at *post-law* forfeited mine sites, the Department requested that the appropriation from Tier I of the Severance Tax Operational Fund be reauthorized at \$127,000 per year. The DRMS expects five under-bonded mine sites per year with an average deficiency of \$12,600 per site, and there are currently eight sites with a combined shortfall of \$86,456 (\$28,819 per year) that the DRMS does not have funding to cover. The Department also estimates that staff costs to manage post-law reclamation projects are \$35,200 per year.

On January 13, 2015, the Committee voted to carry H.B. 15-1150, which establishes an annual transfer of \$127,000 cash funds from Tier II of the Severance Tax Operational Fund to the *Reclamation Warranty and Forfeiture (RWF) Fund* for the purpose of funding this request. The RWF Fund is a cash fund that was set up as a special account in the General Fund by the Mined Land Reclamation Board to receive bond and other revenue used to fund reclamation projects at forfeited mine sites (Section 34-32-122 (1) (a), C.R.S.). Transfers will begin in FY 2015-16 if the bill is signed into law and any unused money at the end of three years will revert back to the Operational Fund. Funding will be disbursed in three installments over the course of each year: 40.0 percent in July, 30.0 percent in January, and the remaining 30.0 percent in April. If mid-year projections indicate there will be insufficient Operational Fund revenue to support authorized expenditures for Tier II programs, the funds transferred in this bill will be subject to proportional reductions.

Splitting programs supported by the Operational Fund into two tiers helps protect funding for FTE and ongoing programs by prioritizing those expenditures (Tier I) over programs that have the flexibility to absorb changes in funding over time (Tier II), e.g. grants, loans, construction projects etc. The post-law forfeited mine sites handled by the IMRP are not emergencies—other funding is available to address time-sensitive situations—and reclamation projects can proceed at any time depending on available funds. Tier II programs have a smaller reserve requirement of 15.0 percent, and the program's ability to roll forward funding for three years can help cushion the immediate impact of any proportional reductions.

The *staff recommendation* will provide spending authority for the DRMS to use the cash funds transferred from Tier II of the Severance Tax Operational Fund under H.B.15-1150 and ensure that moneys remain available for a period of three years as specified in the Long Bill footnote associated with this line item. Additionally, staff recommends the transfer of 0.3 FTE from the Inactive Mines-Program Costs line item to the Reclamation of Forfeited Mine Sites line item to ensure that *pre-law* funding is not used to subsidize staff time spent on *post-law* reclamation projects.

## (1) Executive Director's Office

The Executive Director's Office is responsible for the overall administration of the Department, including budgeting, accounting, financial management, human resources services, and other general administrative duties. It provides leadership and support to Department divisions and programs in order to meet strategic objectives. The Executive Director's office is comprised of two sub-sections: (A) Administration and (B) Special Programs. Pursuant to H.B. 13-1057, the Colorado Avalanche Information Center was placed in the Special Programs subdivision following the transfer of the Colorado Geological Survey to the Colorado School of Mines.

### DIVISION REQUEST AND RECOMMENDATION SUMMARY

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$53,687,743	\$6,631,465	\$36,185,368	\$7,479,435	\$3,391,475	50.8
Other legislation	6,500,000	0	6,500,000	0	0	0.0
SB 15-156 (Supplemental)	<u>(369,451)</u>	<u>83,019</u>	<u>(491,479)</u>	<u>77,428</u>	<u>(38,419)</u>	<u>0.7</u>
<b>TOTAL</b>	<b>\$59,818,292</b>	<b>\$6,714,484</b>	<b>\$42,193,889</b>	<b>\$7,556,863</b>	<b>\$3,353,056</b>	<b>51.5</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$59,818,292	\$6,714,484	\$42,193,889	\$7,556,863	\$3,353,056	51.5
R1 Additional staffing for field operations and hearings	0	0	0	0	0	0.0
R2 Enhanced water administration	0	0	0	0	0	0.0
R3/BA3 CAIC administrative changes	230,024	(28,210)	20,611	237,623	0	1.4
R4 Reauthorize funding to reclaim forfeited mine sites	5,838	0	5,838	0	0	0.0
Centrally appropriated line items	2,707,254	2,163,933	1,464,956	(1,284,713)	363,078	0.0
Indirect cost assessment	13,780	(1,765,987)	14,286	1,765,987	(506)	0.0
Annualize prior year funding	<u>(9,911,873)</u>	<u>(713,372)</u>	<u>(8,668,662)</u>	<u>(86,802)</u>	<u>(443,037)</u>	<u>(0.7)</u>
<b>TOTAL</b>	<b>\$52,863,315</b>	<b>\$6,370,848</b>	<b>\$35,030,918</b>	<b>\$8,188,958</b>	<b>\$3,272,591</b>	<b>52.2</b>
<b>Increase/(Decrease)</b>	(\$6,954,977)	(\$343,636)	(\$7,162,971)	\$632,095	(\$80,465)	0.7
Percentage Change	(11.6%)	(5.1%)	(17.0%)	8.4%	(2.4%)	1.4%
<b>FY 2015-16 Executive Request:</b>	<b>\$57,483,929</b>	<b>\$6,381,652</b>	<b>\$38,942,534</b>	<b>\$8,209,432</b>	<b>\$3,950,311</b>	<b>52.2</b>
Request Above/(Below) Recommendation	\$4,620,614	\$10,804	\$3,911,616	\$20,474	\$677,720	0.0

**➔ R3 and BA3 CAIC Administrative Changes**

**Request:** The Department requests an appropriation of \$237,623 total funds and 1.4 FTE for FY 2015-16. This includes a net-zero transfer of 0.5 FTE between line items within the Executive Director's Office. This request has two components:

- *FY 2015-16 Budget Request (R3)*  
 The Department's initial FY 2015-16 budget request included an increase of \$189,926 total funds and 1.4 FTE for the Colorado Avalanche Information Center (CAIC) to support two new forecasters, and to provide administrative assistance, vehicles, equipment, and leased space for the program.
- *FY 2015-16 Budget Amendment (BA3)*  
 The Department submitted a budget amendment increasing the FY 2015-16 request by \$47,697 reappropriated funds to account for the out-year impact of the FY 2014-15 supplemental request to fund three parts of the FY 2015-16 request during the current fiscal year. The Committee approved the FY 2014-15 supplemental request on January 15, 2015.

**Recommendation:** Staff recommends an appropriation of \$230,024 total funds and 1.4 FTE. This is \$7,599 less than the Department request because, pursuant to Committee common policy, staff is not recommending funding for centrally appropriated items for new FTE in the first year. The following table summarizes the impact to line items in the Executive Director's Office affected by the request.

<b>EDO Line Items Affected by R3/BA3 CAIC Administrative Changes</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>A) Administration</b>					
Personal Services	(\$24,038)	\$0	\$0	(\$24,038)	(0.5)
Health Life Dental	4,421	(\$28,210)	2,211	30,420	0.0
Short-term Disability	76	0	41	35	0.0
AED	1,601	0	862	739	0.0
SAED	1,501	0	808	693	0.0
Operating Expenses	(250)	0	0	(250)	0.0
Vehicle Lease Payments	43,200	0	43,200	0	0.0
Leased Space	18,000	0	0	18,000	0.0
<b>B) Special Programs</b>					
CAIC Program Costs	<u>185,513</u>	<u>0</u>	<u>16,689</u>	<u>168,824</u>	<u>1.9</u>
<b>TOTAL</b>	<b>\$237,623</b>	<b>(\$28,210)</b>	<b>\$71,410</b>	<b>\$194,423</b>	<b>1.4</b>

**Analysis:** The Committee approved a supplemental appropriation to fund three parts of the Department's FY 2015-16 budget request for the CAIC (R3) during the current fiscal year.

1) *Sawatch Mountain Range Highway Forecaster*

The Department's FY 2015-16 request included funding for a new highway forecaster (0.7 FTE) in the Sawatch Mountain Range to help provide enough coverage in the area to adequately replace a recently-retired forecaster with a significant accumulated workload. The approved supplemental appropriation secured permanent funding for the forecaster who had already been hired in a term limited position for the current avalanche season.

2) *CDOT Vehicles, Equipment, and Leased Space*

The Department's FY 2015-16 budget request included funding to allow the CAIC to independently acquire vehicles, equipment, and leased space using reappropriated funds from the Colorado Department of Transportation (CDOT). The approved supplemental appropriation provided spending authority for the CIAC to make those acquisitions with CDOT funds in the current fiscal year.

3) *Administrative Support*

The Department's FY 2015-16 budget request included the transfer of 0.5 FTE from the Executive Director's Office to the CAIC to provide administrative support for the program. This transition was already in progress and the approved supplemental appropriation allowed the Department to reflect the change in staffing during FY 2014-15.

The **staff recommendation** includes a continuation of the appropriation approved during the supplemental process and the necessary adjustments to provide a full year of funding for these portions of the request in FY 2015-16, as specified in budget amendment BA3.

The fourth piece of the Department's FY 2015-16 budget request, described below, was not addressed as part of the supplemental process.

4) *Boulder Forecaster*

The Department's FY 2015-16 request includes one new full-time forecaster (0.7 FTE), located at the Boulder office, to take over a portion of the forecasting responsibilities currently designated to program managers. The CAIC Director works half-time as a forecaster and the Deputy Director works as a full-time forecaster during the avalanche season. The new forecaster would assume all forecasting responsibilities of the Director and half the responsibilities of the Deputy Director, with the intent of giving program managers the ability to travel to supervise employees in different parts of the state, increase outreach efforts, and fill in for other forecasters if necessary.

CAIC forecasters are dispersed across the state in ten posting locations, but the Director and Deputy Director of the program must remain in the Boulder area when working as forecasters during the avalanche season. The Department has indicated that this limits travel by program managers to supervise forecasting staff around the state. Forecasters at other locations are in daily contact with program managers by phone and email, but in-person support can be infrequent. Looking forward, the CAIC anticipates higher-than-average turnover among

forecasters due to a series of expected retirements. Ensuring program managers can visit forecasters in the field will be particularly important as new forecasters are hired and trained to replace retiring employees over the next several years.

The necessity of forecasting on location in Boulder also limits the flexibility of program managers to serve as backup and cover other areas should assigned forecasters become sick or injured. At present the CAIC is staffed to cover forecast areas when all positions are filled and functioning. Any absence has to be distributed among other forecasters, including the program managers, which can be a significant burden on program staff and result in less thorough coverage across the state. Program managers are also tasked with responding to avalanche emergencies which can pull them away from their forecasting duties, effectively creating an absence to be covered by other forecasters until the accident investigation is complete.

Staff agrees that the addition of a forecaster at the Boulder location is important to the safety of the public and CDOT workers during avalanche season. The resulting increase in flexibility for program managers will help ensure that: (1) there is adequate forecasting coverage for all ten zones around the state; (2) new forecasters have enough supervision and support to successfully complete their duties; and (3) additional public education and outreach on avalanche safety can be provided by CAIC staff. As such, *staff recommends* the approval of this portion of the request, less common policy items, to allow the CAIC to hire the requested new forecaster in FY 2015-16 using reappropriated funds that CDOT has already agreed to provide.

## LINE ITEM DETAIL

### (A) ADMINISTRATION

The Administration subdivision includes the following units:

- The **Administration and Policy Development** unit oversees the administration of Department divisions, policy development, and program implementation.
- **Human Resources** is responsible for all duties pertaining to personnel management.
- **Accounting and Purchasing** directs, controls, and manages accounting and procurement operations and functions within the Department.
- The **Budgeting** unit formulates the Department's annual budget and administers central appropriations and allocations for all divisions.

#### Personal Services

The Executive Director's Office's provides services and leadership to Department divisions and programs in the areas of policy, accounting, human resources, purchasing, and budgeting. Funding for FY 2015-16 is from reappropriated funds collected through departmental indirect cost assessments.

**Request:** The Department requests an appropriation of \$3,772,923 reappropriated funds and 41.3 FTE for FY 2015-16. This includes a decrease of \$24,038 reappropriated funds and 0.5 FTE associated with request R3 (CAIC Administrative Changes), as well as the annualization of prior year salary survey, merit pay, and supplemental appropriation.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Executive Director's Office, Administration, Personal Services</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>				
HB 14-1336 (Long Bill)	\$3,693,831	\$0	\$3,693,831	41.8
SB 15-156 (Supplemental)	(24,038)	0	(24,038)	(0.5)
<b>TOTAL</b>	<b>\$3,669,793</b>	<b>\$0</b>	<b>\$3,669,793</b>	<b>41.3</b>
<b>FY 2015-16 Recommended Appropriation</b>				
FY 2014-15 Appropriation	\$3,669,793	\$0	\$3,669,793	41.3
R3/BA3 CAIC administrative changes	(24,038)	0	(24,038)	(0.5)
Annualize prior year funding	127,168	0	127,168	0.5
<b>TOTAL</b>	<b>\$3,772,923</b>	<b>\$0</b>	<b>\$3,772,923</b>	<b>41.3</b>

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Executive Director's Office, Administration, Personal Services</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$103,130	\$0	\$103,130	0.0
Percentage Change	2.8%	0.0%	2.8%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$3,772,923</b>	<b>\$0</b>	<b>\$3,772,923</b>	<b>41.3</b>
Request Above/(Below)				
Recommendation	\$0	\$0	\$0	0.0

**Health, Life, and Dental**

This line item pays for the state contribution to health insurance, life insurance, and dental insurance.

**Request:** The Department requests an appropriation of \$17,239,655 total funds, including \$1,202,938 General Fund, for FY 2015-16. This includes a non-prioritized budget amendment.

**Recommendation:** Staff recommends an appropriation of \$12,761,256 total funds, including \$1,208,701 General Fund, in accordance with Committee-approved common policy as shown in the table below. Please note that requests R1 and R2 have new FTE while requests R3 and R4 reflect appropriations required for existing FTE.

<b>Executive Director's Office, Administration, Health, Life, and Dental</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$11,372,174	\$1,213,503	\$7,652,556	\$1,177,794	\$1,328,321	0.0
SB 15-156 (Supplemental)	<u>4,421</u>	<u>(28,210)</u>	<u>2,211</u>	<u>30,420</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$11,376,595</b>	<b>\$1,185,293</b>	<b>\$7,654,767</b>	<b>\$1,208,214</b>	<b>\$1,328,321</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$11,376,595	\$1,185,293	\$7,654,767	\$1,208,214	\$1,328,321	0.0
R1 Additional staffing for field operations and hearings	0	0	0	0	0	0.0
R2 Enhanced water administration	0	0	0	0	0	0.0
R3/BA3 CAIC administrative changes	4,421	(28,210)	2,211	30,420	0	0.0
R4 Reauthorize funding to reclaim forfeited mine sites	3,742	0	3,742	0	0	0.0
Centrally appropriated line items	1,380,919	1,168,270	814,130	(803,527)	202,046	0.0
Indirect cost assessment	0	(1,144,862)	0	1,144,862	0	0.0
Annualize prior year funding	<u>(4,421)</u>	<u>28,210</u>	<u>(2,211)</u>	<u>(30,420)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$12,761,256</b>	<b>\$1,208,701</b>	<b>\$8,472,639</b>	<b>\$1,549,549</b>	<b>\$1,530,367</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Executive Director's Office, Administration, Health, Life, and Dental</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$1,384,661	\$23,408	\$817,872	\$341,335	\$202,046	0.0
Percentage Change	12.2%	2.0%	10.7%	28.3%	15.2%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$17,239,655</b>	<b>\$1,202,938</b>	<b>\$12,282,624</b>	<b>\$1,556,484</b>	<b>\$2,197,609</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$4,478,399	(\$5,763)	\$3,809,985	\$6,935	\$667,242	0.0

**Short-term Disability**

The Short-term Disability appropriation is used to provide partial payment of an employee's salary in the event that the employee becomes disabled and cannot perform his or her work duties.

**Request:** The Department requests an appropriation of \$207,305 total funds, including \$33,331 General Fund, for FY 2015-16.

**Recommendation:** Staff recommends an appropriation of \$206,672 total funds, including \$33,069 General Fund, in accordance with Committee-approved common policy as shown in the table below. Please note that requests R1 and R2 have new FTE while requests R3 and R4 reflect appropriations required for existing FTE.

<b>Executive Director's Office, Administration, Short-term Disability</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$205,663	\$32,444	\$141,925	\$5,861	\$25,433	0.0
SB 15-156 (Supplemental)	<u>76</u>	<u>0</u>	<u>41</u>	<u>35</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$205,739</b>	<b>\$32,444</b>	<b>\$141,966</b>	<b>\$5,896</b>	<b>\$25,433</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$205,739	\$32,444	\$141,966	\$5,896	\$25,433	0.0
R1 Additional staffing for field operations and hearings	0	0	0	0	0	0.0
R2 Enhanced water administration	0	0	0	0	0	0.0
R3/BA3 CAIC administrative changes	76	0	41	35	0	0.0
R4 Reauthorize funding to reclaim forfeited mine sites	58	0	58	0	0	0.0
Centrally appropriated line items	875	625	(294)	430	114	0.0
Annualize prior year funding	<u>(76)</u>	<u>0</u>	<u>(41)</u>	<u>(35)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$206,672</b>	<b>\$33,069</b>	<b>\$141,730</b>	<b>\$6,326</b>	<b>\$25,547</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Executive Director's Office, Administration, Short-term Disability</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$933	\$625	(\$236)	\$430	\$114	0.0
Percentage Change	0.5%	1.9%	(0.2%)	7.3%	0.4%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$207,305</b>	<b>\$33,331</b>	<b>\$142,025</b>	<b>\$6,402</b>	<b>\$25,547</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$633	\$262	\$295	\$76	\$0	0.0

**S.B. 04-257 Amortization Equalization Disbursement**

Pursuant to S.B. 04-257 (Section 24-51-411, C.R.S.), beginning in January 2006, the State contributes additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability.

**Request:** The Department requests an appropriation of \$4,645,016 total funds, including \$747,378 General Fund, for FY 2015-16.

**Recommendation:** Staff recommends an appropriation of \$4,632,287 total funds, including \$742,138 General Fund, in accordance with Committee-approved common policy as shown in the table below. Please note that requests R1 and R2 have new FTE while requests R3 and R4 reflect appropriations required for existing FTE.

<b>Executive Director's Office, Administration, S.B. 04-257 Amortization Equalization Disbursement</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$4,274,935	\$674,702	\$2,949,931	\$121,845	\$528,457	0.0
SB 15-156 (Supplemental)	<u>1,600</u>	<u>0</u>	<u>862</u>	<u>738</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,276,535</b>	<b>\$674,702</b>	<b>\$2,950,793</b>	<b>\$122,583</b>	<b>\$528,457</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$4,276,535	\$674,702	\$2,950,793	\$122,583	\$528,457	0.0
R1 Additional staffing for field operations and hearings	0	0	0	0	0	0.0
R2 Enhanced water administration	0	0	0	0	0	0.0
R3/BA3 CAIC administrative changes	1,601	0	862	739	0	0.0
R4 Reauthorize funding to reclaim forfeited mine sites	1,052	0	1,052	0	0	0.0
Centrally appropriated line items	354,699	67,436	232,086	19,264	35,913	0.0
Annualize prior year funding	<u>(1,600)</u>	<u>0</u>	<u>(862)</u>	<u>(738)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,632,287</b>	<b>\$742,138</b>	<b>\$3,183,931</b>	<b>\$141,848</b>	<b>\$564,370</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Executive Director's Office, Administration, S.B. 04-257 Amortization Equalization Disbursement</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$355,752	\$67,436	\$233,138	\$19,265	\$35,913	0.0
Percentage Change	8.3%	10.0%	7.9%	15.7%	6.8%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$4,645,016</b>	<b>\$747,378</b>	<b>\$3,189,819</b>	<b>\$143,449</b>	<b>\$564,370</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$12,729	\$5,240	\$5,888	\$1,601	\$0	0.0

**S.B. 06-235 Supplemental Amortization Equalization Disbursement**

Similar to the AED line item, the Supplemental Amortization Equalization Disbursement (SAED) line item increases employees' contributions to the PERA Trust Fund to amortize the unfunded liability in the Trust Fund.

**Request:** The Department requests an appropriation of \$4,486,542 total funds, including \$721,899 General Fund, for FY 2015-16.

**Recommendation:** Staff recommends an appropriation of \$4,474,293 total funds, including \$716,838 General Fund, in accordance with Committee-approved common policy as shown in the table below. Please note that requests R1 and R2 have new FTE while requests R3 and R4 reflect appropriations required for existing FTE.

<b>Executive Director's Office, Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$4,007,752	\$632,533	\$2,765,561	\$114,230	\$495,428	0.0
SB 15-156 (Supplemental)	<u>1,501</u>	<u>0</u>	<u>808</u>	<u>693</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,009,253</b>	<b>\$632,533</b>	<b>\$2,766,369</b>	<b>\$114,923</b>	<b>\$495,428</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$4,009,253	\$632,533	\$2,766,369	\$114,923	\$495,428	0.0
R1 Additional staffing for field operations and hearings	0	0	0	0	0	0.0
R2 Enhanced water administration	0	0	0	0	0	0.0
R3/BA3 CAIC administrative changes	1,501	0	808	693	0	0.0
R4 Reauthorize funding to reclaim forfeited mine sites	986	0	986	0	0	0.0
Centrally appropriated line items	464,054	84,305	307,978	22,069	49,702	0.0
Annualize prior year funding	<u>(1,501)</u>	<u>0</u>	<u>(808)</u>	<u>(693)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,474,293</b>	<b>\$716,838</b>	<b>\$3,075,333</b>	<b>\$136,992</b>	<b>\$545,130</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Executive Director's Office, Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$465,040	\$84,305	\$308,964	\$22,069	\$49,702	0.0
Percentage Change	11.6%	13.3%	11.2%	19.2%	10.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$4,486,542</b>	<b>\$721,899</b>	<b>\$3,081,020</b>	<b>\$138,493</b>	<b>\$545,130</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$12,249	\$5,061	\$5,687	\$1,501	\$0	0.0

**Salary Survey**

Pursuant to Section 24-50-104 (4) (c), C.R.S., the Department of Personnel's total compensation report recommends a salary adjustment each year, which is funded by this line item.

***Request & Recommendation:*** The Department requests an appropriation of \$1,153,648 total funds, including \$185,225 General Fund, for FY 2015-16. Staff recommends approving the Department's request in accordance with Committee-approved common policy.

**Merit Pay**

Employee performance-based pay is centrally appropriated and funded by this line item pursuant to Section 24-50-104 (1) (c) (I), C.R.S.

***Request & Recommendation:*** The Department requests an appropriation of \$945,138 total funds, including \$180,081 General Fund, for FY 2015-16. Staff recommends approving the Department's request in accordance with Committee-approved common policy.

**Shift Differential**

The Shift Differential line item addresses the adjustment necessary to compensate employees for work performed outside of normal work schedules. These are second and third shift workers whose scheduled work hours fall outside of the regular work hours.

***Request & Recommendation:*** The Department requests an appropriation of \$42,291 cash funds for FY 2015-16. Staff recommends approving the Department's request in accordance with Committee-approved common policy.

**Workers' Compensation**

This line item is used to pay the Department's share of the state's workers' compensation program administered by the Department of Personnel.

***Request:*** The Department requests an appropriation of \$1,465,255 total funds, including \$42,950 General Fund, for FY 2015-16.

***Recommendation:*** Staff recommends an appropriation of \$1,482,367 total funds, including \$43,452 General Fund, in accordance with Committee-approved common policy as shown in the following table.

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Executive Director's Office, Administration, Workers' Compensation</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	<u>\$1,879,077</u>	<u>\$53,330</u>	<u>\$1,814,534</u>	<u>\$8,980</u>	<u>\$2,233</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,879,077</b>	<b>\$53,330</b>	<b>\$1,814,534</b>	<b>\$8,980</b>	<b>\$2,233</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$1,879,077	\$53,330	\$1,814,534	\$8,980	\$2,233	0.0
Centrally appropriated line items	<u>(396,710)</u>	<u>(9,878)</u>	<u>(383,658)</u>	<u>(1,137)</u>	<u>(2,037)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,482,367</b>	<b>\$43,452</b>	<b>\$1,430,876</b>	<b>\$7,843</b>	<b>\$196</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$396,710)	(\$9,878)	(\$383,658)	(\$1,137)	(\$2,037)	0.0
Percentage Change	(21.1%)	(18.5%)	(21.1%)	(12.7%)	(91.2%)	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$1,465,255</b>	<b>\$42,950</b>	<b>\$1,414,359</b>	<b>\$7,752</b>	<b>\$194</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$17,112)	(\$502)	(\$16,517)	(\$91)	(\$2)	0.0

**Operating Expenses**

This line item includes both the Executive Director's Office operating costs and capital outlay. Capital outlay is typically spent on computers, furniture and other one-time purchases. A portion of this line is also annually held aside in a technology fund for IT projects that benefit all divisions within the Department. The total appropriation amount for this line changes very little from year to year. Staff notes that the majority of expenses are related to Division of Parks and Wildlife capital outlay related expenditures.

**Request:** The Department requests \$1,246,674 total funds for FY 2015-16. This includes a small adjustment of \$250 reappropriated funds associated with request R3 (CAIC Administrative Changes), as well as the annualization of the prior year supplemental appropriation.

**Recommendation:** Staff recommends approving the Department request as shown in the table below.

<b>Executive Director's Office, Administration, Operating Expenses</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$1,246,924	\$0	\$1,057,006	\$184,581	\$5,337	0.0
SB 15-156 (Supplemental)	<u>(250)</u>	<u>0</u>	<u>0</u>	<u>(250)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,246,674</b>	<b>\$0</b>	<b>\$1,057,006</b>	<b>\$184,331</b>	<b>\$5,337</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Executive Director's Office, Administration, Operating Expenses</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$1,246,674	\$0	\$1,057,006	\$184,331	\$5,337	0.0
R3/BA3 CAIC administrative changes	(250)	0	0	(250)	0	0.0
Annualize prior year funding	<u>250</u>	<u>0</u>	<u>0</u>	<u>250</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,246,674</b>	<b>\$0</b>	<b>\$1,057,006</b>	<b>\$184,331</b>	<b>\$5,337</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$1,246,674</b>	<b>\$0</b>	<b>\$1,057,006</b>	<b>\$184,331</b>	<b>\$5,337</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**Legal Services**

Most of the divisions within the Department of Natural Resources rely heavily on legal services purchased from the Department of Law (Attorney General’s Office).

<b>Appropriated and Actual Legal Services Hours</b>					
	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15*</b>
Appropriated Legal Services Hours	45,410	45,410	45,410	46,992	50,972
Actual Legal Services Hours	44,614	43,856	45,423	40,353	--

\*Estimated

**Request:** The Department requests an appropriation of \$4,817,364 total funds, including \$1,235,624 General Fund, to purchase 50,972 hours of legal services in FY 2015-16.

**Recommendation:** Staff recommends approving the Department request for 50,972 hours of legal services. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff will calculate the associated appropriation after the Committee sets the common policy for the legal services rate and requests permission to reflect that appropriation in the Long Bill.

**Payment to Risk Management and Property Funds**

Payment to Risk Management and Property Funds is an allocation appropriated to each department based on a shared statewide risk formula for two programs, the Liability Program and the Property Program. The state's liability program is used to pay liability claims and expenses brought against the state. The property program provides insurance coverage for state buildings and their contents. A portion of the Department’s property insurance payment includes “Flood Zone A” insurance. The divisional shares are calculated based on three factors: a division’s proportionate share of DNR’s total building and contents value, number of FTE (liability exposure), and Flood Zone A premiums.

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

**Request:** The Department requests an appropriation of \$581,637 total funds, including \$53,381 General Fund, for FY 2015-16.

**Recommendation:** Staff recommends an appropriation of \$711,637 total funds, including \$76,085 General Fund, in accordance with Committee-approved common policy as shown in the table below.

<b>Executive Director's Office, Administration, Payment to Risk Management and Property Funds</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	<u>\$767,271</u>	<u>\$80,713</u>	<u>\$662,823</u>	<u>\$13,431</u>	<u>\$10,304</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$767,271</b>	<b>\$80,713</b>	<b>\$662,823</b>	<b>\$13,431</b>	<b>\$10,304</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$767,271	\$80,713	\$662,823	\$13,431	\$10,304	0.0
Centrally appropriated line items	<u>(55,634)</u>	<u>(4,628)</u>	<u>(48,742)</u>	<u>(1,307)</u>	<u>(957)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$711,637</b>	<b>\$76,085</b>	<b>\$614,081</b>	<b>\$12,124</b>	<b>\$9,347</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$55,634)	(\$4,628)	(\$48,742)	(\$1,307)	(\$957)	0.0
Percentage Change	(7.3%)	(5.7%)	(7.4%)	(9.7%)	(9.3%)	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$581,637</b>	<b>\$53,381</b>	<b>\$513,487</b>	<b>\$8,416</b>	<b>\$6,353</b>	<b>0.0</b>
Request Above/(Below)						
Recommendation	(\$130,000)	(\$22,704)	(\$100,594)	(\$3,708)	(\$2,994)	0.0

**Vehicle Lease Payments**

Funds provided through this line item enable the Department to lease vehicles from State Fleet Management in the Department of Personnel and Administration. Seven of the Department's eight divisions lease vehicles to perform their work. The cost of each lease is based on the purchase price of the vehicle selected and the terms of the lease agreement.

**Request:** The Department requests an appropriation of \$3,916,377 total funds, including \$247,515 General Fund, for FY 2015-16. This includes a non-prioritized budget request, the annualization of prior year supplemental funding, and \$43,200 reappropriated funds to provide vehicles for Colorado Avalanche Information Center forecasters (R3/BA3).

**Recommendation:** Staff recommends an appropriation of \$3,823,123 total funds, including \$245,236 General Fund, in accordance with Committee-approved common policy as shown in the following table. This includes the Department's requested funding for CAIC vehicles.

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Executive Director's Office, Administration, Vehicle Lease Payments</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$3,902,389	\$252,298	\$3,576,478	\$8,091	\$65,522	0.0
SB 15-156 (Supplemental)	<u>14,400</u>	<u>0</u>	<u>0</u>	<u>14,400</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,916,789</b>	<b>\$252,298</b>	<b>\$3,576,478</b>	<b>\$22,491</b>	<b>\$65,522</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$3,916,789	\$252,298	\$3,576,478	\$22,491	\$65,522	0.0
R3/BA3 CAIC administrative changes	43,200	0	0	43,200	0	0.0
Centrally appropriated line items	(122,466)	(7,062)	(111,279)	3,319	(7,444)	0.0
Annualize prior year funding	<u>(14,400)</u>	<u>0</u>	<u>0</u>	<u>(14,400)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,823,123</b>	<b>\$245,236</b>	<b>\$3,465,199</b>	<b>\$54,610</b>	<b>\$58,078</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$93,666)	(\$7,062)	(\$111,279)	\$32,119	(\$7,444)	0.0
Percentage Change	(2.4%)	(2.8%)	(3.1%)	142.8%	(11.4%)	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$3,916,377</b>	<b>\$247,515</b>	<b>\$3,556,294</b>	<b>\$54,610</b>	<b>\$57,958</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$93,254	\$2,279	\$91,095	\$0	(\$120)	0.0

**Information Technology Asset Maintenance**

Funds provided through this line item enable the Department to maintain and replace its IT systems such as annual IT support and maintenance agreements with hardware and software vendors, new and replacement equipment, computer supplies, data communication charges, utilities and other related costs.

***Request and Recommendation:*** The Department requests an appropriation of \$263,159 total funds, including \$31,268 General Fund, for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 request. Staff recommends approving the Department's request.

**Leased Space**

The responsibilities of the Department of Natural Resources extend across the entire state, and for reasons of efficiency and proximity to specific project areas DNR's divisions operate a number of satellite offices throughout Colorado. In many instances, divisions are statutorily required to operate offices in specific counties and/or congressional districts.

***Request:*** The Department requests an appropriation of \$1,346,896 total funds, including \$574,079 General Fund for FY 2015-16. This includes funding to purchase leased space for the OGCC (R1) and the CAIC (R3/BA3), as well as the annualization of prior year funding.

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

**Recommendation:** Staff recommends an appropriation of \$1,303,663 total funds, including \$574,079 General fund. This is \$43,233 less than the Department request because staff does not recommend the request R1 to purchase leased space for the OGCC at this time.

<b>Executive Director's Office, Administration, Leased Space</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$1,302,222	\$568,930	\$697,736	\$0	\$35,556	0.0
SB 15-156 (Supplemental)	<u>18,000</u>	<u>0</u>	<u>0</u>	<u>18,000</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,320,222</b>	<b>\$568,930</b>	<b>\$697,736</b>	<b>\$18,000</b>	<b>\$35,556</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$1,320,222	\$568,930	\$697,736	\$18,000	\$35,556	0.0
R1 Additional staffing for field operations and hearings	0	0	0	0	0	0.0
R3/BA3 CAIC administrative changes	18,000	0	0	18,000	0	0.0
Centrally appropriated line items	(16,559)	5,149	(22,844)	0	1,136	0.0
Annualize prior year funding	<u>(18,000)</u>	<u>0</u>	<u>0</u>	<u>(18,000)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,303,663</b>	<b>\$574,079</b>	<b>\$674,892</b>	<b>\$18,000</b>	<b>\$36,692</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$16,559)	\$5,149	(\$22,844)	\$0	\$1,136	0.0
Percentage Change	(1.3%)	0.9%	(3.3%)	0.0%	3.2%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$1,346,896</b>	<b>\$574,079</b>	<b>\$718,125</b>	<b>\$18,000</b>	<b>\$36,692</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$43,233	\$0	\$43,233	\$0	\$0	0.0

**Capitol Complex Leased Space**

This line item is used to pay the Department of Personnel and Administration for the costs of maintaining state buildings that are part of the capitol complex. Capitol Complex Leased Space is appropriated based on usable square footage utilized by each state department. Currently, for the Department of Natural Resources, this includes 79,240 square feet of space at 1313 Sherman Street (Centennial Building).

**Request:** The Department requests an appropriation of \$1,508,340 total funds, including \$319,271 General Fund, for FY 2015-16.

**Recommendation:** Staff recommends an appropriation of \$1,381,111 total funds, including \$292,340 General Fund, in accordance with Committee-approved common policy as shown in the following table.

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Executive Director's Office, Administration, Capitol Complex Leased Space</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$972,920	\$205,939	\$496,633	\$166,393	\$103,955	0.0
SB 15-156 (Supplemental)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$972,920</b>	<b>\$205,939</b>	<b>\$496,633</b>	<b>\$166,393</b>	<b>\$103,955</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$972,920	\$205,939	\$496,633	\$166,393	\$103,955	0.0
Centrally appropriated line items	<u>408,191</u>	<u>86,401</u>	<u>208,363</u>	<u>69,812</u>	<u>43,615</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,381,111</b>	<b>\$292,340</b>	<b>\$704,996</b>	<b>\$236,205</b>	<b>\$147,570</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$408,191	\$86,401	\$208,363	\$69,812	\$43,615	0.0
Percentage Change	42.0%	42.0%	42.0%	42.0%	42.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$1,508,340</b>	<b>\$319,271</b>	<b>\$769,941</b>	<b>\$257,964</b>	<b>\$161,164</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$127,229	\$26,931	\$64,945	\$21,759	\$13,594	0.0

**Integrated Resource Services**

The Department of Natural Resources deals with a diverse range of natural resource management issues and employs subject matter experts in a variety of scientific and technical fields. Despite this diversity, natural resource management often involves fundamentally inter-connected issues. This allocation mechanism is used to facilitate payments for services between DNR agencies. When the Committee approved this line item, a request for information (RFI) was included asking the Department to report on the number of projects funded through the line item and the cost of each project. No expenditures had been made at the time of submittal of the RFI.

***Request and Recommendation:*** The Department requests an appropriation of \$250,000 reappropriated funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 request. Staff recommends approving the Department's request and a continuation of the FY 2014-15 RFI included below.

**XX Department of Natural Resources, Executive Director's Office, Integrated Resource Services** -- The Department of Natural Resources is requested to provide a report, by November 1, ~~2015~~ 2016, listing the number of projects funded through the Integrated Resource Services line item and the cost of each project. The report should provide information for the most recent year actual expenditures, the current year estimated expenditures, and the request year estimated expenditures.

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

**CORE Operations**

This line item funds the Department's share of the statewide accounting system (CORE) used by the State Controller to record all state revenues and expenditures.

**Request:** The Department requests an appropriation of \$1,723,832 total funds, including \$253,791 General Fund, for FY 2015-16. This includes the annualization of prior year supplemental funding and a non-prioritized budget amendment.

**Recommendation:** Staff recommends approving the Department's request in accordance with Committee-approved common policy, as shown in the table below.

<b>Executive Director's Office, Administration, CORE Operations</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$1,411,696	\$130,479	\$1,113,765	\$67,437	\$100,015	0.0
SB 15-156 (Supplemental)	<u>(533,743)</u>	<u>104,950</u>	<u>(555,382)</u>	<u>(43,984)</u>	<u>(39,327)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$877,953</b>	<b>\$235,429</b>	<b>\$558,383</b>	<b>\$23,453</b>	<b>\$60,688</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$877,953	\$235,429	\$558,383	\$23,453	\$60,688	0.0
Annualize prior year funding	533,743	(104,950)	555,382	43,984	39,327	0.0
Centrally appropriated line items	<u>312,136</u>	<u>123,312</u>	<u>143,456</u>	<u>6,471</u>	<u>38,897</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,723,832</b>	<b>\$253,791</b>	<b>\$1,257,221</b>	<b>\$73,908</b>	<b>\$138,912</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$845,879	\$18,362	\$698,838	\$50,455	\$78,224	0.0
Percentage Change	96.3%	7.8%	125.2%	215.1%	128.9%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$1,723,832</b>	<b>\$253,791</b>	<b>\$1,257,221</b>	<b>\$73,908</b>	<b>\$138,912</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**Payments to OIT**

This line item is requested by the Governor's Office of Information Technology (OIT).

**Request:** The Department requests an appropriation of \$6,797,811 total funds, including \$552,561 General Fund, for FY 2015-16.

**Recommendation:** Staff recommendation is *pending* the Committee's common policy decision for this line item. Staff requests permission to adjust this line item in accordance with Committee approved common policy and to apply appropriate fund splits.

**(B) SPECIAL PROGRAMS**

**Colorado Avalanche Information Center Program Costs**

The primary objective of the Colorado Avalanche Information Center (CAIC) is to minimize the economic and human impact of snow avalanches on recreation, tourism, commerce, industry, and the citizens of Colorado by providing information and education on avalanche danger. The CAIC is responsible for forecasting avalanche danger, and providing education and safety training to help reduce risks to highway travelers, Colorado Department of Transportation (CDOT) staff, recreationalists, and avalanche professionals. Approximately 48.0 percent of the funding for this program comes from cash funds, including fees, donations, and appropriations from the Severance Tax Operational Fund. About 50.0 percent of program funding comes from CDOT as reappropriated funds, and a small amount of federal funding from the U.S. Forest Services accounts for the remainder.

**Request:** The Department requests an appropriation of \$1,048,446 total funds and 10.9 FTE for FY 2015-16. This includes Department requests R1 and BA3 to provide additional funding for the Colorado Avalanche Information Center, as well as the annualization of merit pay, salary survey, and prior year supplemental funding.

**Recommendation:** Staff recommends approving the Department request as shown in the table below.

<b>Executive Director's Office, Special Programs, Colorado Avalanche Information Center</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$838,466	\$0	\$398,516	\$420,979	\$18,971	9.0
SB 15-156 (Supplemental)	<u>104,536</u>	<u>0</u>	<u>24,288</u>	<u>80,248</u>	<u>0</u>	<u>1.2</u>
<b>TOTAL</b>	<b>\$943,002</b>	<b>\$0</b>	<b>\$422,804</b>	<b>\$501,227</b>	<b>\$18,971</b>	<b>10.2</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$943,002	\$0	\$422,804	\$501,227	\$18,971	10.2
R3/BA3 CAIC administrative changes	185,513	0	16,689	168,824	0	1.9
Annualize prior year funding	<u>(80,069)</u>	<u>0</u>	<u>179</u>	<u>(80,248)</u>	<u>0</u>	<u>(1.2)</u>
<b>TOTAL</b>	<b>\$1,048,446</b>	<b>\$0</b>	<b>\$439,672</b>	<b>\$589,803</b>	<b>\$18,971</b>	<b>10.9</b>
<b>Increase/(Decrease)</b>	\$105,444	\$0	\$16,868	\$88,576	\$0	0.7
Percentage Change	11.2%	0.0%	4.0%	17.7%	0.0%	6.9%
<b>FY 2015-16 Executive Request:</b>	<b>\$1,048,446</b>	<b>\$0</b>	<b>\$447,271</b>	<b>\$582,204</b>	<b>\$18,971</b>	<b>10.9</b>
Request Above/(Below) Recommendation	\$0	\$0	\$7,599	(\$7,599)	\$0	0.0

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

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**Indirect Cost Assessment**

This line item reflects the amount of indirect cost assessments to cash and federal funding sources within the CAIC subdivision. The Department uses the funds collected to offset General Fund that would otherwise be required to pay for services from the Executive Director’s Office.

**Request:** The Department requests an appropriation of \$25,260 cash funds for FY 2015-16. This represents a net increase in indirect cost recoveries collected from this subdivision.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Executive Director's Office, Special Programs, Indirect Cost Assessment</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$11,840	\$0	\$11,334	\$0	\$506	0.0
<b>TOTAL</b>	<b>\$11,840</b>	<b>\$0</b>	<b>\$11,334</b>	<b>\$0</b>	<b>\$506</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$11,840	\$0	\$11,334	\$0	\$506	0.0
Indirect cost assessment	<u>13,780</u>	<u>0</u>	<u>14,286</u>	<u>0</u>	<u>(506)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$25,620</b>	<b>\$0</b>	<b>\$25,620</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$13,780	\$0	\$14,286	\$0	(\$506)	0.0
Percentage Change	116.4%	0.0%	126.0%	0.0%	(100.0%)	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$25,620</b>	<b>\$0</b>	<b>\$25,620</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## (2) Division of Reclamation, Mining, and Safety

The Division of Reclamation Mining and Safety (DRMS) is charged with helping to develop Colorado’s mining industry in an environmentally protective manner and ensuring that mined land is reclaimed to a beneficial use. This includes: (1) permitting, inspecting, and ensuring compliance at over 1,750 active coal and mineral prospecting and mining operations; (2) safeguarding and reclaiming abandoned and forfeited mine sites; and (3) training, testing, and certifying mine employees at both coal and non-coal mining operations in accordance with federal health and safety standards. Pursuant to Section 39-29-109.3 (1) (c), C.R.S., the General Assembly may appropriate up to 25.0 percent of the moneys in the Severance Tax Operational Fund to the Division.

### DIVISION REQUEST AND RECOMMENDATION SUMMARY

The following table summarizes the staff recommendation for the Division of Reclamation, Mining, and Safety. For this division, the recommendation matches the Department’s request with the following exceptions: (1) the *fund source* for request R4 to reauthorize funding for reclamation projects at forfeited mine sites; (2) the *consolidation* of the Inactive Mines–Abandoned Mine Safety line item into the Inactive Mines–Program Costs line item; (3) a JBC staff-initiated *name change* for the Inactive Mines–Mine Site Reclamation line item; (4) the addition of a new RFI on the Emergency Response Costs line item.

<b>Division of Reclamation, Mining, and Safety</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$7,926,136	\$0	\$4,462,496	\$30,000	\$3,433,640	68.9
<b>TOTAL</b>	<b>\$7,926,136</b>	<b>\$0</b>	<b>\$4,462,496</b>	<b>\$30,000</b>	<b>\$3,433,640</b>	<b>68.9</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$7,926,136	\$0	\$4,462,496	\$30,000	\$3,433,640	68.9
R4 Reauthorize funding to reclaim forfeited mine sites	121,162	0	121,162	0	0	0.0
JBC staff initiated line item consolidation	0	0	0	0	0	0.0
Annualize prior year funding	(26,295)	0	(107,040)	0	80,745	0.0
Indirect cost assessment	<u>(1,161)</u>	<u>0</u>	<u>16,227</u>	<u>0</u>	<u>(17,388)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,019,842</b>	<b>\$0</b>	<b>\$4,492,845</b>	<b>\$30,000</b>	<b>\$3,496,997</b>	<b>68.9</b>
<b>Increase/(Decrease)</b>	\$93,706	\$0	\$30,349	\$0	\$63,357	0.0
Percentage Change	1.2%	0.0%	0.7%	0.0%	1.8%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$8,019,842</b>	<b>\$0</b>	<b>\$4,492,845</b>	<b>\$30,000</b>	<b>\$3,496,997</b>	<b>68.9</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## LINE ITEM DETAIL

### (A) COAL LAND RECLAMATION

#### Program Costs

This program is administered pursuant to a cooperative agreement with the Office of Surface Mining in the U.S. Department of the Interior. It is a regulatory program charged with reviewing and issuing coal mining and reclamation permits. Program staff monitor and inspect coal mining operations and enforce permit provisions and mining regulations. Federal regulations require the State to conduct the Coal Land Reclamation Program for the State to receive federal funds to safeguard Colorado's inactive mines. In recent years, the line item has supported 22.0 FTE and associated operating expenses. The program is funded with a mix of federal funds and cash funds from the Severance Tax Operational Fund. The federal funding requires a state match, with federal funding accounting for approximately 79.0 percent of the appropriation and state severance tax funding making up roughly 21.0 percent of the appropriation in recent years.

**Request:** The Department requests an appropriation of \$2,219,915 total funds and 22.0 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Division of Reclamation, Mining, and Safety, Coal Land Reclamation, Program Costs</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	\$2,181,654	\$0	\$467,606	\$1,714,048	22.0
<b>TOTAL</b>	<b>\$2,181,654</b>	<b>\$0</b>	<b>\$467,606</b>	<b>\$1,714,048</b>	<b>22.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$2,181,654	\$0	\$467,606	\$1,714,048	22.0
Annualize salary survey and merit pay	<u>38,261</u>	<u>0</u>	<u>7,983</u>	<u>30,278</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,219,915</b>	<b>\$0</b>	<b>\$475,589</b>	<b>\$1,744,326</b>	<b>22.0</b>
<b>Increase/(Decrease)</b>	\$38,261	\$0	\$7,983	\$30,278	0.0
Percentage Change	1.8%	0.0%	1.7%	1.8%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$2,219,915</b>	<b>\$0</b>	<b>\$475,589</b>	<b>\$1,744,326</b>	<b>22.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

**Indirect Cost Assessment**

This line item reflects the amount of indirect cost assessments to cash and federal funding sources within the Coal Land Reclamation subdivision. The Department uses the funds collected to offset General Fund that would otherwise be required to pay for services from the Executive Director’s Office.

**Request:** The Department requests an appropriation of \$136,099 total funds for FY 2015-16. This represents a net increase in indirect cost recoveries collected from this subdivision.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Division of Reclamation, Mining, and Safety, Coal Land Reclamation, Indirect Cost Assessment</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$133,005</u>	<u>\$0</u>	<u>\$27,931</u>	<u>\$105,074</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$133,005</b>	<b>\$0</b>	<b>\$27,931</b>	<b>\$105,074</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$133,005	\$0	\$27,931	\$105,074	0.0
Indirect cost assessment	<u>3,094</u>	<u>0</u>	<u>650</u>	<u>2,444</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$136,099</b>	<b>\$0</b>	<b>\$28,581</b>	<b>\$107,518</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$3,094	\$0	\$650	\$2,444	0.0
Percentage Change	2.3%	0.0%	2.3%	2.3%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$136,099</b>	<b>\$0</b>	<b>\$28,581</b>	<b>\$107,518</b>	<b>0.0</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

**(B) INACTIVE MINES**

**➔ JBC Staff Initiated Line Item Consolidation**

**Request:** This is a JBC staff initiated change. The Department did not request this line item consolidation, but is supportive of the change.

**Recommendation:** Staff recommends eliminating the Abandoned Mine Safety line item in this subdivision and transferring the requested appropriation of \$99,850 cash funds and 0.2 FTE to the Inactive Mines–Program Costs line item.

**Analysis:** The Abandoned Mine Safety line item was established in FY 1995-96 to provide funding to safeguard pre-law abandoned mine openings and land disturbances in counties with casinos and gaming districts. Safeguarding projects were supported by general funds derived from gaming in these specific areas. However, the line item is no longer supported by revenue from gaming districts or limited to projects in a defined area. In FY 2001-02, funding was converted to cash funds from severance tax revenues and the appropriation is now used to address projects statewide based on priority need. As such, staff believes that there is no need to keep the funding for Abandoned Mine Safety separated out in a stand-alone line item.

The Inactive Mines–Program Costs line item provides the majority of funding for reclamation work and safeguarding measures at pre-law abandoned mine sites. While the Abandoned Mine Safety line item currently pays for relatively small projects at pre-law sites, like capping and fencing, the purpose is not materially different than projects funded by the Program Costs line item. Additionally, both line items are funded with Tier I severance tax revenue from the Operational Fund so it is not necessary to maintain separate line items for the appropriations based on fund source.

The **staff recommendation** is to move funding and FTE for the Abandoned Mine Safety line item to the Inactive Mines–Program costs line item. This will consolidate funding designated for the safeguarding or reclamation at *pre-law* abandoned mine sites into a single line item, clarifying the distinction between appropriations for pre-law mine sites and funding for post-law projects provided in other line items.

### **Program Costs**

This line item provides funding to safeguard mine openings, inspect and monitor mine sites, and reclaim abandoned *pre-law* or *legacy* mine sites. This program was instituted and funded under the provisions of the federal Surface Mining Control and Reclamation Act (SMCRA) of 1977, and only mines abandoned prior to 1977 are eligible for program funding. According to Department estimates, approximately 13,925 eligible abandoned mines remain in Colorado.

This line item has two main sources of funding: federal grants from the Office of Surface Mining, and cash funds from the Severance Tax Operational Fund. To receive the federal grants, the Department must maintain a federally-approved coal mining regulatory program, but there are no matching requirements for the federal grants. In addition to reclamation projects, the federal money can be used for the investigation of thirty-three coal mine fires pending safeguarding and for subsidence issues at historic coal mines that impact residential housing. The Long Bill reflects the federal administrative and oversight costs, but not the multi-year grants for site work amounting to about \$11.6 million per year.

Pursuant to Section 39-29-109.3 (1) (c), C.R.S., \$500,000 is transferred annually from the Severance Tax Operational Fund to the Abandoned Mine Reclamation Fund to help supplement available federal funds and complete greater number of reclamation and safeguarding projects at pre-law mines. The appropriation for the Abandoned Mine Reclamation Fund primarily supports contracts for site work, but includes funding for 0.4 FTE and associated operating expenses to oversee the work. This money can also be used to remedy environmental issues at pre-law mine sites that the federal grant is not authorized to address. Moneys appropriated to the Abandoned

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Mine Reclamation Fund are explicitly limited to pre-law or legacy sites and remain available for expenditure for three years (Section 34-34-102, C.R.S.).

**Request:** The Department requests an appropriation of \$1,739,624 total funds and 16.1 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey, and a reduction of 0.3 FTE to reflect the requested transfer to the Inactive Mines – Reclamation of Forfeited Mine Sites line item (R4).

**Recommendation:** Staff recommends an appropriation of \$1,839,474 and 16.3 FTE as shown in the table below. This reflects Department request R4 to transfer 0.3 FTE, and the JBC staff initiated consolidation of the Abandoned Mine Safety line item into the Program Costs line item.

<b>Division of Reclamation, Mining, and Safety, Inactive Mines, Program Costs</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	\$1,686,695	\$0	\$519,247	\$1,167,448	16.4
<b>TOTAL</b>	<b>\$1,686,695</b>	<b>\$0</b>	<b>\$519,247</b>	<b>\$1,167,448</b>	<b>16.4</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$1,686,695	\$0	\$519,247	\$1,167,448	16.4
R4 Reauthorize funding to reclaim forfeited mine sites	0	0	0	0	(0.3)
JBC staff initiated line item consolidation	99,850	0	99,850	0	0.2
Annualize prior year funding	52,929	0	4,510	48,419	0.0
<b>TOTAL</b>	<b>\$1,839,474</b>	<b>\$0</b>	<b>\$623,607</b>	<b>\$1,215,867</b>	<b>16.3</b>
<b>Increase/(Decrease)</b>	\$152,779	\$0	\$104,360	\$48,419	(0.1)
Percentage Change	9.1%	0.0%	20.1%	4.1%	(0.6%)
<b>FY 2015-16 Executive Request:</b>	<b>\$1,739,624</b>	<b>\$0</b>	<b>\$523,757</b>	<b>\$1,215,867</b>	<b>16.1</b>
Request Above/(Below) Recommendation	(\$99,850)	\$0	(\$99,850)	\$0	(0.2)

**Mine Site Reclamation (JBC Staff Recommended Name: Legacy Mine Hydrology Projects)**

This line item supports the construction of hydro-geologic controls at pre-law or legacy abandoned mine sites. Examples of hydro-geologic controls include diversion ditches, mine waste removal, mine waste consolidation, stream diversion, and re-vegetation. Some of these moneys are granted to local entities as a match to receive federal Clean Water Act moneys from the U.S. Environmental Protection Agency.

Acid mine drainage and metal leaching continue for many years, and sometimes effectively in perpetuity, after mining operations cease in a given location. Mining companies active today are required to include the cost of water treatment when applying for mining permits. The Division

also includes required water treatment costs when determining the financial warranties necessary to approve individual permits. However, mining operations that ended prior to adoption of the federal Clean Water Act of 1972 are remediated through the Mining Non-Point Source Program, which is administered by the Inactive Mines Program.

An assessment conducted in 1980 found that approximately 1,300 miles of Colorado's streams were adversely impacted by heavy metals and acidic drainage from both inactive and abandoned mines. In 2006, the JBC approved a request for \$250,000 annually from the Severance Tax Operational Fund to accelerate and expand matching funds for water quality improvement projects at abandoned mines and to hire a projects coordinator. In addition to the money from the Severance Tax Operational Fund, the Department receives \$30,000 in reappropriated from the Department of Public Health and Environment to cover a portion of the program's costs.

**Request:** The Department requests an appropriation of \$411,665 total funds and 1.2 FTE for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation.

**Recommendation:** Staff recommends approving the Department's request, but changing the name of the line item to ***Legacy Mine Hydrology Projects*** to more clearly differentiate the purpose and limitations of this line item (water-related reclamation projects at *pre-law* mines) from other line items in the subdivision that pertain to reclamation projects (e.g. reclamation projects at *post-law* mine sites with forfeited bonds).

### **Reclamation of Forfeited Mine Sites**

The General Assembly created this line item in FY 2007-08 to provide funding that could be rolled forward up to three years to reclaim mine sites that were forfeited due to mine operator bankruptcy or death, or insufficient bonds when the mining permit was revoked. Mines forfeited prior to 1977 qualify for federal funding from the Office of Surface Mining and also receive some Severance Tax funds through the Program Costs and Mine Site Reclamation/Legacy Mine Hydrology Projects line items. Between 1977 and 1993 mine operators were required to post bonds but the bonds were capped in statute by mine type and were sometimes inadequate to fund the required reclamation. The DRMS has received appropriations from the Severance Tax Operational Fund to make up for bond shortages at these sites.

Mines established after 1993 have individually-calculated bond requirements based on size, type of disturbance, on-site structures, surrounding environmental impacts, and construction costs. According to the Department, the bonds from forfeited mines established after 1993 have generally been adequate to address necessary reclamation work. However, the DRMS still encounters an average of five mine sites per year with bond shortages or failures that require additional funding, provided in this line item, to fully reclaim. Sites treated under this line item are not eligible for federal funds that can be used for pre-1977 mines. Risks associated with unreclaimed sites include water contamination, unstable soils, volatile gases and explosives, and open pits.

**Request:** The Department requests an appropriation of \$121,162 cash funds from the Severance Tax Operational Fund and 0.3 FTE for FY 2015-16

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**Recommendation:** Staff recommends approving an appropriation of \$121,162 cash funds from the *Reclamation Warranty and Forfeiture (RWF) Fund* and 0.3 FTE as shown in the table below. The recommended appropriation will provide spending authority for the DRMS to spend Tier II Severance Tax Operational Fund revenue transferred to the RWF Fund pursuant to pending legislation (H.B. 15-1150). The RWF Fund is a special account in the General Fund established by the Mined Land Reclamation Board to receive bond and other revenue used to fund reclamation at forfeited mine sites (Section 34-32-122 (1) (a), C.R.S.).

<b>Division of Reclamation, Mining, and Safety, Inactive Mines, Reclamation of Forfeited Mine Sites</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$171,000</u>	<u>\$0</u>	<u>\$171,000</u>	<u>\$0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$171,000</b>	<b>\$0</b>	<b>\$171,000</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$171,000	\$0	\$171,000	\$0	0.0
R4 Reauthorize funding to reclaim forfeited mine sites	121,162	0	121,162	0	0.3
Annualize prior year funding	<u>(171,000)</u>	<u>0</u>	<u>(171,000)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$121,162</b>	<b>\$0</b>	<b>\$121,162</b>	<b>\$0</b>	<b>0.3</b>
<b>Increase/(Decrease)</b>	(\$49,838)	\$0	(\$49,838)	\$0	0.3
Percentage Change	(29.1%)	0.0%	(29.1%)	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$121,162</b>	<b>\$0</b>	<b>\$121,162</b>	<b>\$0</b>	<b>0.3</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

**Abandoned Mine Safety**

This line item supports efforts to safeguard the more than 23,000 mine openings in Colorado abandoned prior to bonding requirements implemented in 1977 (pre-law mines), including a high number in the Central City and Blackhawk area. This line item complements significant federal funding in the Program Costs line item which supports the majority of such efforts on an annual basis. The funds pay for basic measures like capping and fencing. The other line items in the Inactive Mines section pay for more extensive reclamation of sites requiring additional measures. The source of funding is the Severance Tax Operational Fund.

**Request:** The Department requests an appropriation of \$99,850 cash funds and 0.2 FTE for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation.

*JBC Staff Figure Setting: FY 2015-16*  
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**Recommendation:** Staff recommends eliminating this line item, and transferring the requested appropriation of \$99,850 cash funds and 0.2 FTE to the Inactive Mines–Program Costs line item.

<b>Division of Reclamation, Mining, and Safety, Inactive Mines, Abandoned Mine Safety</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$99,850</u>	<u>\$0</u>	<u>\$99,850</u>	<u>\$0</u>	<u>0.2</u>
<b>TOTAL</b>	<b>\$99,850</b>	<b>\$0</b>	<b>\$99,850</b>	<b>\$0</b>	<b>0.2</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$99,850	\$0	\$99,850	\$0	0.2
JBC staff initiated line item consolidation	<u>(99,850)</u>	<u>0</u>	<u>(99,850)</u>	<u>0</u>	<u>(0.2)</u>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$99,850)	\$0	(\$99,850)	\$0	(0.2)
Percentage Change	(100.0%)	0.0%	(100.0%)	0.0%	(100.0%)
<b>FY 2015-16 Executive Request:</b>					
Request Above/(Below)	<b>\$99,850</b>	<b>\$0</b>	<b>\$99,850</b>	<b>\$0</b>	<b>0.2</b>
Recommendation	\$99,850	\$0	\$99,850	\$0	0.2

**Indirect Cost Assessment**

This line item reflects the amount of indirect cost assessments to cash and federal funding sources within the Inactive Mines subdivision. The Department uses the funds collected to offset General Fund that would otherwise be required to pay for services from the Executive Director's Office.

**Request:** The Department requests an appropriation of \$166,972 total funds for FY 2015-16. This represents a net decrease in indirect cost recoveries collected from this subdivision.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Division of Reclamation, Mining, and Safety Inactive Mines, Indirect Cost Assessment</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$179,219</u>	<u>\$0</u>	<u>\$16,733</u>	<u>\$162,486</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$179,219</b>	<b>\$0</b>	<b>\$16,733</b>	<b>\$162,486</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2015-16*  
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<b>Division of Reclamation, Mining, and Safety Inactive Mines, Indirect Cost Assessment</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$179,219	\$0	\$16,733	\$162,486	0.0
Indirect cost assessment	<u>(12,247)</u>	<u>0</u>	<u>6,610</u>	<u>(18,857)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$166,972</b>	<b>\$0</b>	<b>\$23,343</b>	<b>\$143,629</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$12,247)	\$0	\$6,610	(\$18,857)	0.0
Percentage Change	(6.8%)	0.0%	39.5%	(11.6%)	0.0%
<b>FY 2015-16 Executive Request:</b>					
Request Above/(Below)	<b>\$166,972</b>	<b>\$0</b>	<b>\$23,343</b>	<b>\$143,629</b>	<b>0.0</b>
Recommendation	\$0	\$0	\$0	\$0	0.0

### (C) MINERALS

#### Program Costs

This program issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands. The types of minerals regulated under this program include metals (e.g. gold, silver, and molybdenum), construction materials (e.g. sand, gravel, marble, and flagstone), uranium, and vanadium. The Minerals Program also regulates oil shale development but coordinates extensively with the Oil and Gas Conservation Commission in reviewing permits and conducting inspections. Operating costs of the Mined Land Reclamation Board are covered under this line item. Fund sources include fees deposited in the Mined Land Reclamation Fund and severance tax revenues from the Severance Tax Operational Fund. Most fees are set in statute, but some are set by rule pursuant to Section 34-32-127, C.R.S.

**Request:** The Department requests an appropriation of \$2,219,109 cash funds and 24.1 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Division of Reclamation, Mining, and Safety, Minerals, Program Costs</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$2,179,273</u>	<u>\$0</u>	<u>\$2,179,273</u>	<u>\$0</u>	<u>24.1</u>
<b>TOTAL</b>	<b>\$2,179,273</b>	<b>\$0</b>	<b>\$2,179,273</b>	<b>\$0</b>	<b>24.1</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$2,179,273	\$0	\$2,179,273	\$0	24.1

*JBC Staff Figure Setting: FY 2015-16*  
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<b>Division of Reclamation, Mining, and Safety, Minerals, Program Costs</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Annualize salary survey and merit pay	39,836	0	39,836	0	0.0
<b>TOTAL</b>	<b>\$2,219,109</b>	<b>\$0</b>	<b>\$2,219,109</b>	<b>\$0</b>	<b>24.1</b>
<b>Increase/(Decrease)</b>	\$39,836	\$0	\$39,836	\$0	0.0
Percentage Change	1.8%	0.0%	1.8%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$2,219,109</b>	<b>\$0</b>	<b>\$2,219,109</b>	<b>\$0</b>	<b>24.1</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

**Indirect Cost Assessment**

This line item reflects the amount of indirect cost assessments to cash and federal funding sources within the Minerals subdivision. The Department uses the funds collected to offset General Fund that would otherwise be required to pay for services from the Executive Director's Office.

**Request:** The Department requests \$132,003 cash funds for FY 2014-15. This represents a net increase in indirect cost recoveries collected from this subdivision.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Division of Reclamation, Mining, and Safety, Minerals, Indirect Cost Assessment</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	\$124,971	\$0	\$124,971	\$0	0.0
<b>TOTAL</b>	<b>\$124,971</b>	<b>\$0</b>	<b>\$124,971</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$124,971	\$0	\$124,971	\$0	0.0
Indirect cost assessment	7,032	0	7,032	0	0.0
<b>TOTAL</b>	<b>\$132,003</b>		<b>\$132,003</b>		<b>0.0</b>
<b>Increase/(Decrease)</b>	\$7,032	\$0	\$7,032	\$0	0.0
Percentage Change	5.6%	0.0%	5.6%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$132,003</b>	<b>\$0</b>	<b>\$132,003</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

**(D) MINES PROGRAM**

**Colorado and Federal Mine Safety Program**

This program regulates active mines for safety, inspects tourist mines, performs safety audits, administers certification programs for mining employees, provides training in mine rescue/safety, and regulates underground diesel equipment and mining explosives. Federal moneys are provided by the Mine Safety and Health Administration, which is part of the U.S. Department of Labor. The primary source of state funding is the Severance Tax Operational Fund, but the program also earns a small amount of fee revenue.

**Request:** The Department requests \$535,850 total funds and 4.0 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Division of Reclamation, Mining, and Safety, Mines Program, Colorado and Federal Mine Safety Program</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$524,761</u>	<u>\$0</u>	<u>\$335,116</u>	<u>\$189,645</u>	<u>4.0</u>
<b>TOTAL</b>	<b>\$524,761</b>	<b>\$0</b>	<b>\$335,116</b>	<b>\$189,645</b>	<b>4.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$524,761	\$0	\$335,116	\$189,645	4.0
Annualize salary survey and merit pay	<u>11,089</u>	<u>0</u>	<u>11,089</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$535,850</b>	<b>\$0</b>	<b>\$346,205</b>	<b>\$189,645</b>	<b>4.0</b>
<b>Increase/(Decrease)</b>	\$11,089	\$0	\$11,089	\$0	0.0
Percentage Change	2.1%	0.0%	3.3%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>					
Request Above/(Below)	\$535,850	\$0	\$346,205	\$189,645	4.0
Recommendation	\$0	\$0	\$0	\$0	0.0

**Blaster Certification Program**

This program provides certifications required for certain mine positions, including foreman, fire boss, mine electrician, shot-firer, hoistman, and blaster pursuant to Section 34-22-105, C.R.S. The source of cash funds is the Severance Tax Operational Fund.

**Request:** The Department requests an appropriation of \$112,052 total funds and 1.0 FTE for FY 2015-16. This includes the annualization of prior year salary survey and merit pay.

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Division of Reclamation, Mining, and Safety, Mines Program, Blaster Certification Program</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$109,462</u>	<u>\$0</u>	<u>\$22,839</u>	<u>\$86,623</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$109,462</b>	<b>\$0</b>	<b>\$22,839</b>	<b>\$86,623</b>	<b>1.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$109,462	\$0	\$22,839	\$86,623	1.0
Annualize salary survey and merit pay	<u>2,590</u>	<u>0</u>	<u>542</u>	<u>2,048</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$112,052</b>	<b>\$0</b>	<b>\$23,381</b>	<b>\$88,671</b>	<b>1.0</b>
<b>Increase/(Decrease)</b>	\$2,590	\$0	\$542	\$2,048	0.0
Percentage Change	2.4%	0.0%	2.4%	2.4%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$112,052</b>	<b>\$0</b>	<b>\$23,381</b>	<b>\$88,671</b>	<b>1.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

**Indirect Cost Assessment**

This line item reflects the amount of indirect cost assessments to cash and federal funding sources within the Mines Program subdivision. The Department uses the funds collected to offset General Fund that would otherwise be required to pay for services from the Executive Director's Office.

**Request:** The Department requests \$25,541 total funds for FY 2015-16. This represents a net decrease in indirect cost recoveries collected from this subdivision.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Division of Reclamation, Mining, and Safety, Mines Program, Indirect Cost Assessment</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$24,581</u>	<u>\$0</u>	<u>\$16,265</u>	<u>\$8,316</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$24,581</b>	<b>\$0</b>	<b>\$16,265</b>	<b>\$8,316</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Division of Reclamation, Mining, and Safety, Mines Program, Indirect Cost Assessment</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$24,581	\$0	\$16,265	\$8,316	0.0
Indirect cost assessment	<u>960</u>	<u>0</u>	<u>1,935</u>	<u>(975)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$25,541</b>		<b>\$18,200</b>	<b>\$7,341</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$960	\$0	\$1,935	(\$975)	0.0
Percentage Change	3.9%	0.0%	11.9%	(11.7%)	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$25,541</b>	<b>\$0</b>	<b>\$18,200</b>	<b>\$7,341</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

**(E) EMERGENCY RESPONSE COSTS**

This appropriation provides funds for the Department of Natural Resources to use for an initial response to environmental emergencies at mining sites. For large-scale emergencies, there are procedures for the Governor and/or the JBC to make money available, but the appropriation in this line item can be used immediately while other funds can be accessed. Even if affected sites have financial warranties, it often takes time to go through the required regulatory procedures needed to liquidate the bonds and other warranty instruments for abandoned mine sites. By providing an immediately available source of funds, the Division is able to avoid increased remediation costs that may be incurred by a delay in responding to environmental emergencies due to funding. Contractors perform the environmental remediation work and no FTE are associated with this line item.

**Request and Recommendation:** The Department requests an appropriation of \$100,000 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request and **discontinuing** the following footnote associated with this line item.

**XX Department of Natural Resources, Division of Reclamation, Mining, and Safety, Emergency Response Costs --** It is the General Assembly's intent that the purpose of increasing this line item appropriation is to fund all emergency response costs for the Division of Reclamation, Mining, and Safety.

Instead of the footnote, staff recommends the addition of an RFI identical to the one attached to the Emergency Response line item in the Oil and Gas Conservation Commission.

**XX Department of Natural Resources, Division of Reclamation Mining and Safety, Emergency Response Costs --** The Division of Reclamation, Mining, and Safety is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.

### (3) Oil and Gas Conservation Commission

The Oil and Gas Conservation Commission is charged with promoting the responsible exploration, development, and conservation of Colorado's oil and natural gas resources. To achieve these goals, the Commission promulgates regulations governing oil and gas development, issues permits, enforces laws and regulations, maintains a financial surety program to ensure proper reclamation of well sites, and provides information to the public and industry pertaining to oil and gas production. The Commission also has the authority to regulate oil and gas operations to protect public health and prevent significant adverse environmental impacts. In addition to enforcement, the OGCC responds to complaints and inquiries, responds to oil and gas spills and other environmental emergencies at production sites, manages plugging and reclamation work at abandoned well sites, and performs baseline water quality studies.

#### DIVISION REQUEST AND RECOMMENDATION SUMMARY

<b>Oil and Gas Conservation Commission</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$10,922,535	\$0	\$10,820,950	\$0	\$101,585	95.4
Other legislation	<u>80,425</u>	<u>0</u>	<u>80,425</u>	<u>0</u>	<u>0</u>	<u>0.9</u>
<b>TOTAL</b>	<b>\$11,002,960</b>	<b>\$0</b>	<b>\$10,901,375</b>	<b>\$0</b>	<b>\$101,585</b>	<b>96.3</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$11,002,960	\$0	\$10,901,375	\$0	\$101,585	96.3
R1 Additional staffing for field operations and hearings	260,220	0	260,220	0	0	1.0
Indirect cost assessment	109,593	0	103,662	0	5,931	0.0
Annualize prior year funding	<u>195,881</u>	<u>0</u>	<u>195,881</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$11,568,654</b>	<b>\$0</b>	<b>\$11,461,138</b>	<b>\$0</b>	<b>\$107,516</b>	<b>97.3</b>
<b>Increase/(Decrease)</b>	\$565,694	\$0	\$559,763	\$0	\$5,931	1.0
Percentage Change	5.1%	0.0%	5.1%	0.0%	5.8%	1.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$11,640,927</b>	<b>\$0</b>	<b>\$11,533,411</b>	<b>\$0</b>	<b>\$107,516</b>	<b>98.3</b>
Request Above/(Below) Recommendation	\$72,273	\$0	\$72,273	\$0	\$0	1.0

## LINE ITEM DETAIL

### Program Costs

This line item supports the majority of the OGCC's operations and is funded by a mix of cash funds from: (1) the Severance Tax Operational Fund; and (2) a statewide mill levy on the value of oil and gas production that is transferred into the Oil and Gas Conservation and Environmental Response Fund.

**Request:** The Department requests an appropriation of \$8,942,482 cash funds and 96.3 FTE for FY 2015-16. This reflects Department request R1 for funding to support additional permitting and hearings staff, and includes the annualization of prior year merit pay, salary survey, and legislation (H.B. 14-1356, Strengthen Oil and Gas Penalty Authority).

**Recommendation:** Staff recommends an appropriation of \$8,870,209 cash funds and 95.3 FTE as shown in the table below.

<b>Oil and Gas Conservation Commission, Program Costs</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>				
HB 14-1336 (Long Bill)	\$8,333,683	\$0	\$8,333,683	93.4
Other legislation	<u>80,425</u>	<u>0</u>	<u>80,425</u>	<u>0.9</u>
<b>TOTAL</b>	<b>\$8,414,108</b>	<b>\$0</b>	<b>\$8,414,108</b>	<b>94.3</b>
<b>FY 2015-16 Recommended Appropriation</b>				
FY 2014-15 Appropriation	\$8,414,108	\$0	\$8,414,108	94.3
R1 Additional staffing for field operations and hearings	260,220	0	260,220	1.0
Annualize prior year funding	<u>195,881</u>	<u>0</u>	<u>195,881</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,870,209</b>	<b>\$0</b>	<b>\$8,870,209</b>	<b>95.3</b>
<b>Increase/(Decrease)</b>	\$456,101	\$0	\$456,101	1.0
Percentage Change	5.4%	0.0%	5.4%	1.1%
<b>FY 2015-16 Executive Request:</b>	<b>\$8,942,482</b>	<b>\$0</b>	<b>\$8,942,482</b>	<b>96.3</b>
Request Above/(Below) Recommendation	\$72,273	\$0	\$72,273	1.0



### **R1 Additional Staffing for Field Operations and Hearings**

**Request:** The Department request includes an increase of \$403,450 cash funds and 2.0 FTE to expand the Oil and Gas Conservation Commission's (OGCC) permitting and hearings staff,

purchase contract services, and fund additional leased space. The source of funding for this request is the Oil and Gas Conservation and Environmental Response Fund.

**Recommendation:** Staff recommends approving an appropriation of \$260,220 cash funds and 1.0 FTE. This is \$143,230 and 1.0 FTE less than the Department's request for the following reasons:

- staff does not recommend the addition of a permit compliance technician at this time;
- pursuant to Committee common policy, staff is not recommending funding for centrally appropriated items for new FTE in the first year; and
- staff is not currently recommending the requested increase in funding for leased space.

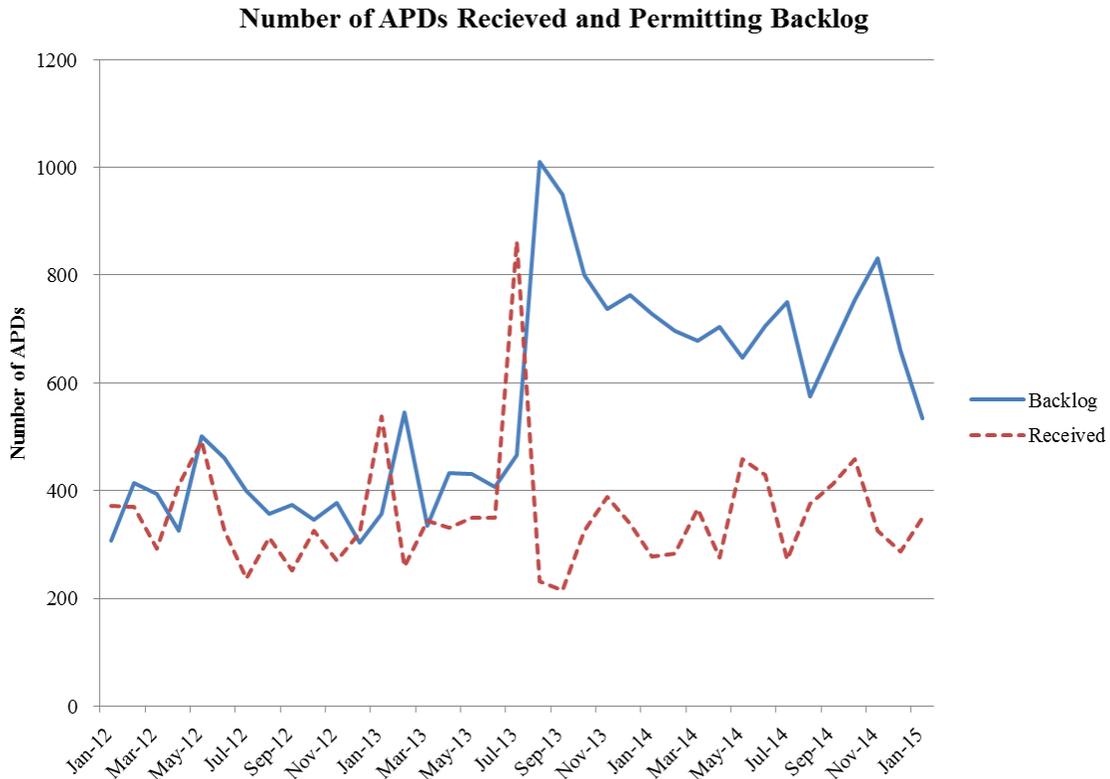
**Analysis:** The Department's request has three main components discussed below.

*1) Permitting FTE and Contract Services*

The Department's request includes \$255,926 cash funds and 1.0 FTE to fund an additional permit compliance technician and 4,160 hours of contract services for the Permitting Unit. The Permitting Unit is responsible for issuing permits for the drilling of new oil and gas wells, the recompletion of existing wells, and the location of well pads and tank batteries. Permitting is the first step in the process of ensuring: (1) wells are drilled, completed, and operated, in compliance with OGCC regulations; and (2) oil and gas facilities are properly constructed, maintained, and reclaimed to protect the public and the environment.

Workload for the permitting unit is driven by two major factors. First, nearly all new wells being drilled now use horizontal drilling techniques which increases the technical complexity of the applications for permits to drill (APDs) reviewed by the Permitting Unit. Second, APDs are much longer due to new setback rules that, after they went into effect in August 2013, increased the number of data fields on each permit by 66.3 percent.

The Permitting Unit currently has 9.0 FTE but has also been using vacancy savings to hire contract support when possible to help process permits. However, the time it takes for permitting staff to process an APD has increased from 30 days in FY 2010-11 to 56 days in FY 2014-15 and a large backlog of unprocessed APDs is being carried forward each month. The Department is concerned that, without the requested addition of permitting staff and contractor hours, both processing times and the backlog will continue to increase over the next several years. The following figure shows the number of permits received and the permitting backlog from January 2012 through January 2015:



Ideally, the Permitting Unit would maintain a backlog approximately equal to the number of permit applications received each month. Data from the OGCC shows a fairly consistent average backlog of 390 permits from January 2012 through July 2013, about 50 more than the number of permit applications received. In July 2013, however, there was a one-month spike in the number of APDs received. Submissions increased almost 150.0 percent ahead of the rule change that increased the length of the permit applications. The increase in APDs received during that single month drove the average backlog up to 733, about 353 more than the average number of permits received, and the Permitting Unit has been mostly unable to catch up since then.

The Department was able to secure 1.0 FTE of contract services through vacancy savings in FY 2014-15 and, with current staffing, the Permitting Unit is still approving about the same number of permits it receives. This suggests that the ongoing backlog is the result of that single month with a very high number of application submissions, rather than a continuing trend of insufficient processing capacity. The Permitting Unit has also been able to make some progress over the past two months. Since November 2014, the backlog of permits has decreased 35.6 percent to a 14-month low of 535 in January 2015 which makes the situation somewhat less dire than when the request was submitted.

Staff requested revised projections that took into account the recent reduction in backlog and included only the requested contract services. The OGCC now estimates that median processing time will be down to 42 days by the end of FY 2014-15. Assuming the addition of the requested 2.0 FTE worth of contractor hours, but no permanent FTE, the OGCC can reach the goal of a 30-day processing period by the end of FY 2015-16.

Staff also has concerns about the potential impact of the decline in oil prices on permitting workload going forward. Predictions for crude oil prices remain scattered and high market uncertainty persists. May futures prices for West Texas Intermediate are currently closing around \$52 per barrel. This is still below the estimated \$60 break-even point for Niobrara shale and about half the price per barrel at this time last year. Short-term projections from the U.S. Energy Information Administration are showing an average price of \$55 per barrel in 2015 and \$71 per barrel in 2016.

Some other states have seen a fairly dramatic decrease in the number of permit applications since October due to the drop in oil prices. Both Texas and Wyoming have reported reductions of greater than 50.0 percent. Permitting in Colorado has decreased 23.8 percent since the most recent high in October 2014, but numbers are still generally consistent with the average number of permits received over the last year. It is possible that Colorado has not yet seen the full impact of the decline in oil prices on permitting workload. The submission of a permit is the last step in a months-long process undertaken by operators so permit applications coming in may still be a reflection of plans made earlier in the year. Change in workload may occur as planning timelines for new wells begin to adjust and take oil prices into account.

The number of operating drill rigs is another indicator of a supply-side response to market conditions. Nation-wide, the number of drill rigs has declined 37.0 percent since mid-October. Based on OGCC data, the number of operating drill rigs in Colorado has fallen 16.0 percent over the same time period. However, the number of rigs currently operating is the same as this time last year so it is unclear whether this is part of normal seasonal variation or if it is an indicator that operators are slowing production. Regardless, oil prices are unlikely to recover to previous highs any time in the next two years, and it seems likely that the permitting workload will adjust downward to some degree as operators deal with a long-term reduction in price.

Staff agrees that reducing the permitting backlog and processing time is necessary to allow the OGCC to provide efficient and predictable service to operators. However, staff is reticent to recommend the addition of a permanent FTE to address a backlog that seems to be the result of a one-time anomaly in the number of permits received, in a market environment where operators are still adjusting to what appears to be a lower long-term price. Given that the revised analysis from the OGCC shows that the Permitting Unit will still be able to achieve a 30-day processing time in FY 2015-16 without a permanent staffing increase, the **staff recommendation** includes funding for contractor services but does not include the requested FTE at this time.

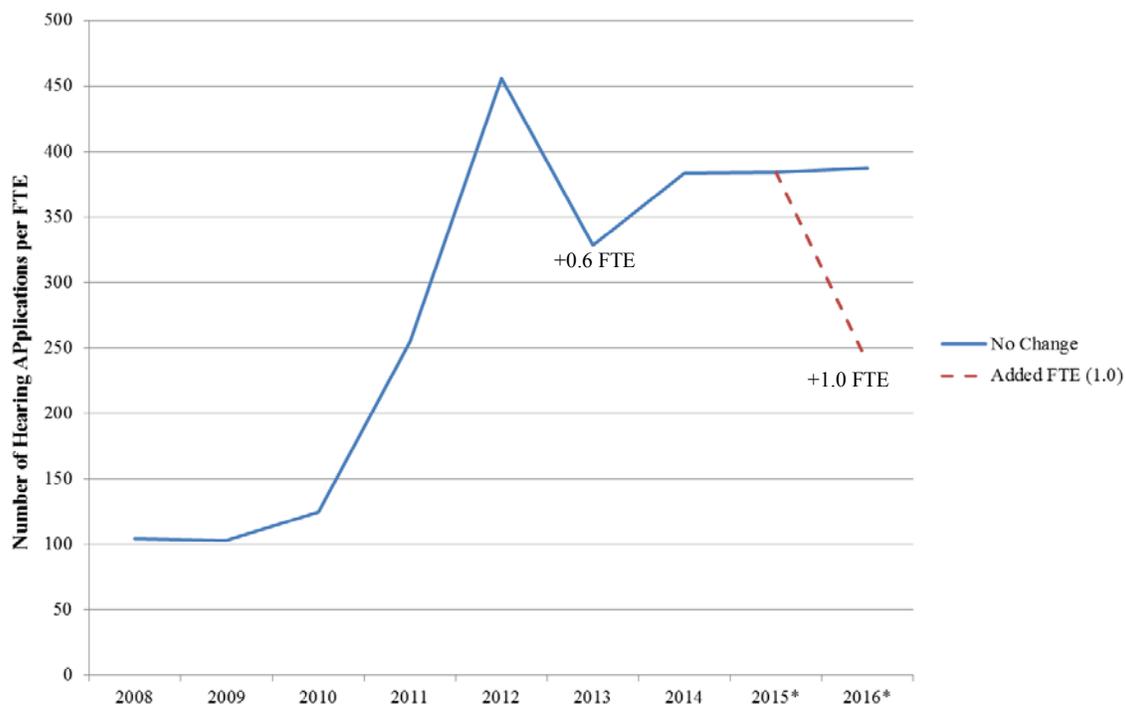
Staff would like to point out that new data will become available over the course of the next fiscal year that will clarify the market situation and workload impact. Additionally, any rulemaking or legislation that changes the permitting process or requirements could create another month of abnormally high submissions or permanently increase workload for the permitting unit. Staff will work with the Department to monitor workload numbers, market indicators, and rulemaking procedures and bring any mid-year changes to the Committee's attention if necessary.

## 2) Hearings Unit FTE

The Department request includes \$104,291 cash funds and 1.0 FTE to add a Hearing Officer responsible for reviewing applications for well spacing and the pooling of mineral interests:

- *Well spacing* is the process of establishing the appropriate number of acres drained by one well or the appropriate number of wells necessary to effectively and efficiently drain a drilling unit.
- *Pooling* combines mineral interests within a drilling unit so that production is shared according to each owner's proportionate interest. In general, a pooling order is required when at least one mineral owner declines to consent to a voluntary pooling agreement or to override pooling restrictions in operator leases.

The number of hearing applications has increased by approximately 500.0 percent since FY 2007-08, but staffing has only increased by 60.0 percent with the addition of 0.6 FTE in FY 2012-13. Since then, the OGCC has had a total of 1.6 FTE for reviewing, processing, and presenting all applications for orders. The following figure shows the number of hearing applications per FTE since FY 2007-08 (blue) and the impact of adding an additional 1.0 FTE as requested (red dashed):



Workload related to hearing applications is primarily driven by active well count and the increasing complexity of oil and gas development in the state. Higher well density and larger drilling units create a more involved and time-intensive process for Hearing Officers responsible for reviewing applications and presenting them to the Commission. The number of active wells in the state has doubled over the past ten years and 94.0 percent of new wells use horizontal drilling techniques, compared to only 2.0 percent five years ago. Hearing applications for more

traditional vertical wells typically contained one well for each 40 acre drilling unit, while hearing applications for new horizontal wells can have more than 120 wells on drilling units larger than four square miles (2,560 acres).

The Department has indicated that, at the current staffing level, the Hearings Unit is having difficulty keeping pace with Commission's hearings schedule. Hearing Officers must process approximately 90 new applications every six weeks ahead of each hearing, in addition to addressing applications continued from prior hearings. It is also important to note that the hearings process is linked to permitting because APDs cannot move forward and new wells cannot be drilled until hearing applications have been approved.

Given the disproportionate increase in workload relative to staffing, *staff recommends* approving this portion of the request, less common policy items in accordance with Committee policy. The additional FTE would reduce the average number of applications per hearing officer to 238.5 and allow more efficient and thorough processing of hearing applications going forward. Additionally, while it is possible that the number of hearings applications may also decline as a result of low oil prices, this position has the flexibility to be transitioned over to assist with enforcement proceedings. Even if supply-side workload drivers decrease, enforcement actions are likely to increase as regulatory efforts intensify and the downturn affects maintenance and upkeep of existing facilities.

Please note that the Department is requesting funding at 31.0 percent above the range minimum for this position (Hearing Officer II). Staff feels this is a reasonable departure from the policy on hiring at range minimum because the OGCC has to compete with the oil and gas industry for qualified candidates. The Committee has regularly approved starting salaries above the range minimum for OGCC staff for this reason. The request represents the salary the OGCC had to offer the most recently hired Hearing Officer and staff does not believe that qualified candidates for the new position could be attracted for less.

### *3) Leased Space*

The Department's request includes \$43,233 cash funds to purchase additional leased space for OGCC offices. The OGCC is located on the eight floor The Chancery building in downtown Denver and has indicated this space is more than fully occupied by permanent staff, temporary employees, contractors, and interns. There are currently 2,413 square feet of vacant space available on the same floor that is contiguous with existing office space. The OGCC proposes to lease this additional space to accommodate requested FTE and any future staffing increases. The requested space contains nine work spaces and one small meeting room. Two cubicles would be reserved for contractors, interns, and OIT staff, which means 7.0 additional FTE would put the OGCC at capacity with the new space.

The initial request was based on an estimated annual rental rate of \$21.00 per square foot, escalating to \$21.50 per square foot in FY 2016-17, plus an additional \$100.54 per month in operating costs. This was comparable to the cost per square foot for the existing space occupied by the OGCC after taking into account improved market conditions. However, since the submission of the request, the OGCC has been negotiating lease terms with the building's

landlord and has indicated that there have been challenges reaching an agreement that is acceptable to both parties.

To be clear, staff generally supports the request. Expanding OGCC offices in the same building on the same floor would be more efficient than splitting staff between two separate locations. Additionally, it may be beneficial to secure enough space for additional staff members at current rental rates, particularly given the likelihood of FTE increases over the next several years. However, the OGCC is still working to negotiate and identify options to lower the annual lease rate and staff does not have enough specific information to recommend an appropriation at this time. As such, *staff recommends* denying this portion of the request and revisiting the issue during a staff or Department comeback once the parameters of the lease can be clarified.

### **Underground Injection Program**

This program manages the Underground Injection Control Program, including regulation of the underground injection of oil and gas production wastes as well as the injection of liquids underground to enhance fuel recovery, under authority delegated to the OGCC by the U.S. Environmental Protection Agency (EPA). The program includes the inspection and permitting of sites where underground injections occur. Federal funds from the Environmental Protection Agency support this program.

***Request and Recommendation:*** The Department requests an appropriation of \$96,559 federal funds and 2.0 FTE for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

### **Plugging and Reclaiming Abandoned Wells**

This line item provides funding to plug and reclaim abandoned oil and gas well sites where there is no known operator responsible for reclamation. The source of funds is the Oil and Gas Conservation and Environmental Response Fund. The General Assembly increased the appropriation for this line item to \$445,000 in FY 2011-12 to respond to an increasing workload for the program.

***Request and Recommendation:*** The Department requests an appropriation of \$445,000 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

### **Environmental Assistance and Complaint Resolution**

This line item funds environmental assistance projects such as baseline water quality studies, studies on the beneficial reuse of production wastes, remediation projects, and studies to better understand air emissions from oil and gas activities. Funding is also used for water, soil, and air sampling in response to citizen complaints, reported spills, and field investigations. This line provides funding for on-going studies and emergent issues with a direct link to protecting public safety. The source of funds is the mill levy deposited in the Oil and Gas Conservation and Environmental Response Fund established in Section 34-60-122 (5), C.R.S.

***Request and Recommendation:*** The Department requests an appropriation of \$312,033 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Emergency Response**

This line item is intended to be used -- if and when necessary -- for emergency responses. Prior to 2006, there were a number of emergency funding requests both during the session and during the interim. The line was created out of concern that emergency funding would be necessary during a time when the JBC was not meeting during the interim, delaying a response until the approval of an interim supplemental. A request for information associated with the line item requires the Department to submit a report detailing expenditures under the line item each year. The Department appears to be using the appropriation as intended and has not abused the spending authority.

***Request and Recommendation:*** The Department requests an appropriation of \$1,000,000 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request and continuing the associated footnote request for information included below.

**XX Department of Natural Resources, Oil and Gas Conservation Commission, Emergency Response** -- It is the intent of the General Assembly that funding for this line item be expended in the event that there is an oil and gas related emergency under the jurisdiction of the Oil and Gas Conservation Commission. The purpose of this funding is for investigation, prevention, monitoring, and mitigation of circumstances which are caused by or are alleged to be associated with oil and gas activities and which call for immediate action by the Oil and Gas Conservation Commission. An emergency creates a threat to public health, safety, or welfare or to the environment as proclaimed by the Oil and Gas Conservation Commission Director and approved by order of the Oil and Gas Conservation Commission.

**XX Department of Natural Resources, Oil and Gas Conservation Commission, Emergency Response** -- The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.

**Special Environmental Protection and Mitigation Studies**

The General Assembly created this line item in FY 2006-07 with an appropriation of \$500,000 cash funds from the Oil and Gas Conservation and Environmental Response Fund. A footnote attached to the line item explains the purpose as follows:

**XX Department of Natural Resources, Oil and Gas Conservation Commission, Special Environmental Protection and Mitigation Studies** -- It is the intent of the General Assembly that funding for this line item be used for special environmental protection and mitigation studies including, but not limited to gas seepage mitigation studies, outcrop monitoring studies, soil gas surveys in the vicinity of plugged orphaned wells, and baseline water quality and subsequent follow-up studies.

The General Assembly reduced funding for this line item to \$325,000 in FY 2009-10, and the request continues at the reduced funding level.

**Request and Recommendation:** The Department requests an appropriation of \$325,000 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request, as well as the continuation of the associated footnote included above and the following request for information associated with this line item.

**XX Department of Natural Resources, Oil and Gas Conservation Commission, Special Environmental Protection and Mitigation Studies** -- The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.

**Indirect Cost Assessment**

This line item reflects the amount of indirect cost assessments to cash and federal funding sources within the OGCC. The Department uses the funds collected to offset General Fund that would otherwise be required to pay for services from the Executive Director's Office.

**Request:** The Department requests an appropriation of \$519,853 total funds for FY 2015-16. This represents an increase in indirect cost recoveries collected from this division.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Oil and Gas Conservation Commission, Indirect Cost Assessment</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	\$410,260	\$0	\$405,234	\$5,026	0.0
<b>TOTAL</b>	<b>\$410,260</b>	<b>\$0</b>	<b>\$405,234</b>	<b>\$5,026</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	410,260	0	405,234	5,026	0.0
Indirect cost assessment	109,593	0	103,662	5,931	0.0
<b>TOTAL</b>	<b>\$519,853</b>	<b>\$0</b>	<b>\$508,896</b>	<b>\$10,957</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$109,593	\$0	\$103,662	\$5,931	0.0
Percentage Change	26.7%	0.0%	25.6%	118.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$519,853</b>	<b>\$0</b>	<b>\$508,896</b>	<b>\$10,957</b>	<b>0.0</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

## (4) State Board of Land Commissioners

The State Land Board manages agricultural, commercial, mineral, and other leases on state-owned lands, and is charged with generating reasonable and consistent revenue for eight trust beneficiaries over time. Total trust assets include approximately 2.8 million surface acres and 4.0 million mineral or subsurface acres. The Public School Trust benefiting K-12 education is the largest of the eight trusts managed by the State Land Board, accounting for approximately 95.0 percent of total trust lands and 98.5 percent of total trust revenues over the past five years. In FY 2013-14, the School Trust had record high earnings of \$171.8 million in revenue, driven primarily by royalty and bonus payments from oil and gas production on state trust lands.

The seven smaller trusts managed by the State Land Board benefit a range of entities including institutions of higher education, state parks, and the Department of Corrections. Revenues for these trusts ranged from \$14,400 to \$1.1 million in FY 2013-14, and account for the remaining 1.5 percent of total trust revenues.

### DIVISION REQUEST AND RECOMMENDATION SUMMARY

There are no decision items that impact appropriations for the State Land Board in FY 2015-16. The Department's request includes: (1) the annualization of merit pay and salary survey; and (2) adjustments to the Division's indirect cost assessment. *Staff recommends approving the Department's request as shown in the table below.*

<b>State Board of Land Commissioners</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	<u>\$4,664,478</u>	<u>\$0</u>	<u>\$4,439,478</u>	<u>\$225,000</u>	<u>\$0</u>	<u>40.0</u>
<b>TOTAL</b>	<b>\$4,664,478</b>	<b>\$0</b>	<b>\$4,439,478</b>	<b>\$225,000</b>	<b>\$0</b>	<b>40.0</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$4,664,478	\$0	\$4,439,478	\$225,000	\$0	40.0
Annualize salary survey and merit pay	106,050	0	106,050	0	0	0.0
Indirect cost assessment	<u>31,381</u>	<u>0</u>	<u>31,381</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,801,909</b>	<b>\$0</b>	<b>\$4,576,909</b>	<b>\$225,000</b>	<b>\$0</b>	<b>40.0</b>
<b>Increase/(Decrease)</b>	\$137,431	\$0	\$137,431	\$0	\$0	0.0
Percentage Change	2.9%	0.0%	3.1%	0.0%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$4,801,909</b>	<b>\$0</b>	<b>\$4,576,909</b>	<b>\$225,000</b>	<b>\$0</b>	<b>40.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**LINE ITEM DETAIL**

**Program Costs**

This line item supports the division’s administrative and operating costs. The appropriation is mostly supported by revenues earned on school trust lands from the State Land Board Trust Administration Cash Fund. It also includes \$75,000 cash funds from the Land and Water Management Fund established in Section 36-1-148 (1), C.R.S., to be used for the management and improvement of state-owned lands and waters under the control of the State Land Board. This fund receives revenues from fees collected for the issuance of leases, patents, certificates of purchase, rights of way documents, and recording assignments for the making of township plats. Expenditures from this fund are capped in statute at \$75,000.

**Request:** The Department requests an appropriation of \$4,328,760 cash funds and 40.0 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>State Board of Land Commissioners, Program Costs</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>				
HB 14-1336 (Long Bill)	<u>\$4,222,710</u>	<u>\$0</u>	<u>\$4,222,710</u>	<u>40.0</u>
<b>TOTAL</b>	<b>\$4,222,710</b>	<b>\$0</b>	<b>\$4,222,710</b>	<b>40.0</b>
<b>FY 2015-16 Recommended Appropriation</b>				
FY 2014-15 Appropriation	\$4,222,710	\$0	\$4,222,710	40.0
Annualize salary survey and merit pay	<u>106,050</u>	<u>0</u>	<u>106,050</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,328,760</b>	<b>\$0</b>	<b>\$4,328,760</b>	<b>40.0</b>
<b>Increase/(Decrease)</b>	\$106,050	\$0	\$106,050	0.0
Percentage Change	2.5%	0.0%	2.5%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$4,328,760</b>	<b>\$0</b>	<b>\$4,328,760</b>	<b>40.0</b>
Request Above/(Below)				
Recommendation	\$0	\$0	\$0	0.0

**Public Access Program Damage and Enhancement Costs**

The General Assembly created this line item in FY 2010-11 to reflect expenditures associated with the Public Access Program, a collaborative effort with the Division of Parks and Wildlife (DPW). DPW leases approximately 550,000 acres from the State Land Board for public access hunting and fishing. The program generates \$900,000 per year for the Land Board, which spends approximately 25.0 percent of that funding on access improvements, damage repairs, and property enhancement for public access properties. The funds are classified as reappropriated funds in the State Land Board's budget.

**Request and Recommendation:** The Department requests an appropriation of \$225,000 reappropriated funds. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Indirect Cost Assessment**

This line item reflects indirect cost assessments to cash funds within the State Land Board. The Department uses indirect cost recoveries to offset General Fund that would otherwise be required to pay for centralized services provided by the Executive Director's Office.

**Request:** The Department requests an appropriation of \$248,149 cash funds for FY 2015-16. This represents an increase in indirect cost recoveries collected from this division.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>State Board of Land Commissioners, Indirect Cost Assessment</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>				
HB 14-1336 (Long Bill)	<u>\$216,768</u>	<u>\$0</u>	<u>\$216,768</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$216,768</b>	<b>\$0</b>	<b>\$216,768</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>				
FY 2014-15 Appropriation	\$216,768	\$0	\$216,768	0.0
Indirect cost assessment	<u>31,381</u>	<u>0</u>	<u>31,381</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$248,149</b>		<b>\$248,149</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$31,381	\$0	\$31,381	0.0
Percentage Change	14.5%	0.0%	14.5%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$248,149</b>	<b>\$0</b>	<b>\$248,149</b>	<b>0.0</b>
Request Above/(Below)				
Recommendation	\$0		\$0	0.0

## (5) Division of Parks and Wildlife

The General Assembly merged the Division of Parks and Outdoor Recreation and the Division of Wildlife in S.B. 11-208. The goal of the merger was to provide costs savings in response to a declining fund balance of the Wildlife Cash Fund. The Department requested a reduction of \$1.6 million cash funds and 20.0 FTE related to the merger in FY 2013-14, and the JBC approved a Long Bill reorganization in FY 2014-15 to more accurately reflect the post-merger organizational structure.

### DIVISION REQUEST AND RECOMMENDATION SUMMARY

There are no decision items that impact appropriations for the Division of Parks and Wildlife in FY 2015-16. The Department’s request includes: (1) the annualization of merit pay and salary survey; (2) adjustments to the Division's indirect cost assessment; and (3) a suggested name change for the Special Programs–Off-Highway Vehicle Programs and the Special Programs–Off-Highway Vehicle Grants line items. *Staff recommends approving the Department's request as shown in the table below.*

Division of Parks and Wildlife						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	<u>\$136,808,958</u>	<u>\$0</u>	<u>\$115,209,801</u>	<u>\$0</u>	<u>\$21,599,157</u>	<u>886.5</u>
<b>TOTAL</b>	<b>\$136,808,958</b>	<b>\$0</b>	<b>\$115,209,801</b>	<b>\$0</b>	<b>\$21,599,157</b>	<b>886.5</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$136,808,958	\$0	\$115,209,801	\$0	\$21,599,157	886.5
Annualize prior year funding	2,322,180	0	1,981,747	0	340,433	0.0
Indirect cost assessment	<u>188,562</u>	<u>0</u>	<u>260,586</u>	<u>0</u>	<u>(72,024)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$139,319,700</b>	<b>\$0</b>	<b>\$117,452,134</b>	<b>\$0</b>	<b>\$21,867,566</b>	<b>886.5</b>
<b>Increase/(Decrease)</b>	\$2,510,742	\$0	\$2,242,333	\$0	\$268,409	0.0
Percentage Change	1.8%	0.0%	1.9%	0.0%	1.2%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$139,319,700</b>	<b>\$0</b>	<b>\$117,452,134</b>	<b>\$0</b>	<b>\$21,867,566</b>	<b>886.5</b>
Request Above/(Below)						
Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## LINE ITEM DETAIL

### (A) COLORADO PARKS AND WILDLIFE OPERATIONS

#### State Park Operations

The State Park Operations line item funds the ongoing operations and administrative staff at all state parks and central offices. This line includes personal services, operating expenses, utility expenses, and a seasonal work program that enables the Division to hire temporary staff to assist at state parks during the busy season.

**Request:** The Department requests an appropriation of \$28,679,044 total funds and 255.1 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Division of Parks and Wildlife, Colorado Parks and Wildlife Operations, State Park Operations</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$27,947,022</u>	<u>\$0</u>	<u>\$27,505,281</u>	<u>\$441,741</u>	<u>255.1</u>
<b>TOTAL</b>	<b>\$27,947,022</b>	<b>\$0</b>	<b>\$27,505,281</b>	<b>\$441,741</b>	<b>255.1</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$27,947,022	\$0	\$27,505,281	\$441,741	255.1
Annualize prior year funding	<u>732,022</u>	<u>0</u>	<u>728,957</u>	<u>3,065</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$28,679,044</b>	<b>\$0</b>	<b>\$28,234,238</b>	<b>\$444,806</b>	<b>255.1</b>
<b>Increase/(Decrease)</b>	\$732,022	\$0	\$728,957	\$3,065	0.0
Percentage Change	2.6%	0.0%	2.7%	0.7%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$28,679,044</b>	<b>\$0</b>	<b>\$28,234,238</b>	<b>\$444,806</b>	<b>255.1</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

#### Wildlife Operations

This line item was established in FY 2014-15 to better reflect division operations after the S.B. 11-208 merger of the Division of Parks and Outdoor Recreation and the Division of Wildlife. It combines the functions of the following line items from the prior Long Bill structure:

1. **Director's Office**, with responsibility for the overall management and oversight of wildlife activities including policy development and implementation, budgeting, program evaluation, and grant administration;

*JBC Staff Figure Setting: FY 2015-16  
Staff Working Document – Does Not Represent Committee Decision*

2. **Wildlife Management**, which manages hunting and fishing opportunities, maintains healthy wildlife populations, preserves and enhances wildlife habitat, and engages in public awareness and educational outreach programs; and
3. **Technical Services**, which provides administrative support, engineering services to manage and maintain capital construction projects, and facilities management for Wildlife programs.

The new line item accounts for a significant number of programs, projects, and responsibilities that were covered under each of the former Wildlife subdivision line items. Programs supporting the main activities of the former Wildlife Management line item include, but are not limited to, customer service, wildlife conservation, research, aquatic conservation, law enforcement, and DPW’s regional activities (such as energy extraction impacts on wildlife habitats). Administrative responsibilities from the former Technical Services line item include accounting and cash management, contracting, procurement, labor data collection, license services, human resources, and legal services. The Engineering Services component includes designing and managing capital construction projects. Facilities management included the maintenance of administrative facilities (offices and customer service centers) and the operation of the Division’s vehicle fleet. Each of these functions is now accounted for under the new Wildlife Operations line item.

**Request:** The Department requests an appropriation of \$80,797,076 total funds and 622.6 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Division of Parks and Wildlife, Colorado Parks and Wildlife Operations, Wildlife Operations</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	\$79,233,596	\$0	\$60,396,281	\$18,837,315	622.6
<b>TOTAL</b>	<b>\$79,233,596</b>	<b>\$0</b>	<b>\$60,396,281</b>	<b>\$18,837,315</b>	<b>622.6</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$79,233,596	\$0	\$60,396,281	\$18,837,315	622.6
Annualize prior year funding	<u>1,563,480</u>	<u>0</u>	<u>1,226,112</u>	<u>337,368</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$80,797,076</b>		<b>\$61,622,393</b>	<b>\$19,174,683</b>	<b>622.6</b>
<b>Increase/(Decrease)</b>	\$1,563,480	\$0	\$1,226,112	\$337,368	0.0
Percentage Change	2.0%	0.0%	2.0%	1.8%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$80,797,076</b>	<b>\$0</b>	<b>\$61,622,393</b>	<b>\$19,174,683</b>	<b>622.6</b>
Request Above/(Below) Recommendation	\$0		\$0	\$0	0.0

**(B) SPECIAL PURPOSE**

Line items in this subdivision support programs that have a dedicated funding source or are related to federal programs that do not directly pertain to the operations of the Colorado parks system or wildlife programs.

<b>Special Purpose</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$29,628,340</u>	<u>\$0</u>	<u>\$27,308,239</u>	<u>\$2,320,101</u>	<u>8.8</u>
<b>TOTAL</b>	<b>\$29,628,340</b>	<b>\$0</b>	<b>\$27,308,239</b>	<b>\$2,320,101</b>	<b>8.8</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$29,628,340	\$0	\$27,308,239	\$2,320,101	8.8
Annualize prior year funding	26,678	0	26,678	0	0.0
Indirect cost assessment	<u>188,562</u>	<u>0</u>	<u>260,586</u>	<u>(72,024)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$29,843,580</b>	<b>\$0</b>	<b>\$27,595,503</b>	<b>\$2,248,077</b>	<b>8.8</b>
<b>Increase/(Decrease)</b>	\$215,240	\$0	\$287,264	(\$72,024)	0.0
Percentage Change	0.7%	0.0%	1.1%	(3.1%)	0.0%
<b>FY 2015-16 Executive Request</b>	<b>\$29,843,580</b>	<b>\$0</b>	<b>\$27,595,503</b>	<b>\$2,248,077</b>	<b>8.8</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

**Snowmobile Program**

This line item funds the administration and registration of snowmobiles, mandatory safety certification of young operators, enforcement of registration requirements, trail marking and signing, establishment and maintenance of snowmobile trails and related facilities. The source of funds is the Snowmobile Recreation Fund, established pursuant to Section 33-14-106, C.R.S. to receive fees from the registration of snowmobiles.

**Request:** The Department requests an appropriation of \$1,005,412 cash funds and 1.3 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the following table.

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Division of Parks and Wildlife, Special Purpose, Snowmobile Program</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$1,000,924</u>	<u>\$0</u>	<u>\$1,000,924</u>	<u>\$0</u>	<u>1.3</u>
<b>TOTAL</b>	<b>\$1,000,924</b>	<b>\$0</b>	<b>\$1,000,924</b>	<b>\$0</b>	<b>1.3</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$1,000,924	\$0	\$1,000,924	\$0	1.3
Annualize prior year funding	<u>4,488</u>	<u>0</u>	<u>4,488</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,005,412</b>	<b>\$0</b>	<b>\$1,005,412</b>	<b>\$0</b>	<b>1.3</b>
<b>Increase/(Decrease)</b>	\$4,488	\$0	\$4,488	\$0	0.0
Percentage Change	0.4%	0.0%	0.4%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$1,005,412</b>	<b>\$0</b>	<b>\$1,005,412</b>	<b>\$0</b>	<b>1.3</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

**River Outfitters Regulation**

The River Outfitter Licensing Program is responsible for the administration of the annual licensing for river outfitters, regulation of the river outfitters, and ensuring the safety of river running activities through inspections. There are over 177 commercial river outfitter companies with approximately 3,000 guides that run adventure rafting and float fishing trips on the majority of the rivers statewide. This program is responsible for performing inspections on these companies to ensure river outfitters employ qualified personnel, follow appropriate operating parameters and meet minimum equipment standards to ensure customer safety. Funding comes from registration and licensing fee revenue from river outfitters credited to the River Outfitters Cash Fund established pursuant to Section 33-32-111, C.R.S.

**Request:** The Department requests an appropriation of \$145,991 cash funds and 0.5 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Division of Parks and Wildlife, Special Purpose, River Outfitters Regulation</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$143,996</u>	<u>\$0</u>	<u>\$143,996</u>	<u>\$0</u>	<u>0.5</u>
<b>TOTAL</b>	<b>\$143,996</b>	<b>\$0</b>	<b>\$143,996</b>	<b>\$0</b>	<b>0.5</b>

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Division of Parks and Wildlife, Special Purpose, River Outfitters Regulation</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$143,996	\$0	\$143,996	\$0	0.5
Annualize prior year funding	<u>1,995</u>	<u>0</u>	<u>1,995</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$145,991</b>	<b>\$0</b>	<b>\$145,991</b>	<b>\$0</b>	<b>0.5</b>
<b>Increase/(Decrease)</b>	\$1,995	\$0	\$1,995	\$0	0.0
Percentage Change	1.4%	0.0%	1.4%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$145,991</b>	<b>\$0</b>	<b>\$145,991</b>	<b>\$0</b>	<b>0.5</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

**Off-Highway Vehicle Program (Suggested Name: Off-Highway Vehicle Program Support)**

This line item funds the administrative costs of the Off-Highway Vehicle (OHV) Program, which is responsible for the administration of OHV registration and grants. The program provides promotes the availability of OHV recreational opportunities, and encourages safe and responsible use through brochures, news releases and other media. The program is also responsible for OHV safety awareness through the promulgation and enforcement of rules and regulations. Partnerships with land management agencies and enthusiasts are formed to leverage grant funds and promote good management of motorized recreation. Funding is from OHV registration fees credited to the Off- Highway Vehicle Recreation Fund.

**Request:** The Department requests an appropriation of \$545,280 cash funds and 3.0 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey. The Department indicated that changing the name of this line item to *Off-Highway Vehicle Program Support* would better reflect statutory intent pursuant to Section 33-14.5-106, C.R.S.

**Recommendation:** Staff recommends approving the Department's request, including the line item name change, as shown in the table below.

<b>Division of Parks and Wildlife, Special Purpose, Off-highway Vehicle Program</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$537,801</u>	<u>\$0</u>	<u>\$537,801</u>	<u>\$0</u>	<u>3.0</u>
<b>TOTAL</b>	<b>\$537,801</b>	<b>\$0</b>	<b>\$537,801</b>	<b>\$0</b>	<b>3.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Division of Parks and Wildlife, Special Purpose, Off-highway Vehicle Program</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
FY 2014-15 Appropriation	\$537,801	\$0	\$537,801	\$0	3.0
Annualize prior year funding	<u>7,479</u>	<u>0</u>	<u>7,479</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$545,280</b>	<b>\$0</b>	<b>\$545,280</b>	<b>\$0</b>	<b>3.0</b>
<b>Increase/(Decrease)</b>	\$7,479	\$0	\$7,479	\$0	0.0
Percentage Change	1.4%	0.0%	1.4%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$545,280</b>	<b>\$0</b>	<b>\$545,280</b>	<b>\$0</b>	<b>3.0</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

**Off-Highway Vehicle Grants (Suggested Name: Off-Highway Vehicle Direct Services)**

This line item supports direct services provided by the OHV Program including activities and expenses associated with law enforcement, capital equipment, rescue and first aid equipment, off-highway vehicle facilities, and division and contract services related to clearing parking lots and providing trail maintenance. This is mostly in the form of grants to federal, state, and local government agencies and non-profit user groups to construct and maintain off-highway vehicle trails, parking areas, signage and maps. Funding is from off-highway vehicle registrations collected in the Off-Highway Vehicle Registration Fund. This line item was added during FY 2010-11 as part of a capital construction budget reorganization that moved part of the capital construction budget into the operating budget. As part of this line item, the Committee approved a footnote that authorized three year spending authority and to account for projects that require more than a year of funding to complete.

**Request:** The Department requests an appropriation of \$4,000,000 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. The Department indicated that changing the name of this line item to *Off-Highway Vehicle Direct Services* would better reflect statutory intent pursuant to Section 33-14.5-101 (2), C.R.S.

**Recommendation:** Staff recommends approving the Department's request, including the line item name change, and continuing the following footnote from FY 2014-15 with an adjustment to accurately reflect three-year spending authority:

**XX Department of Natural Resources, Division of Parks and Wildlife, Special Purpose, Off-Highway Vehicle Grants Direct Services** - The appropriation for this line item remains available until the completion of the project or the close of FY ~~2016-17~~ FY 2017-18, whichever comes first.

**Federal Grants**

The Department anticipates the receipt of \$750,000 federal funds in FY 2015-16 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. Half of this money is distributed to local governments and the other half funds state

sponsored projects. The Parks and Wildlife Board evaluates the proposals and distributes the funds.

***Request and Recommendation:*** The Department requests an appropriation of \$750,000 federal funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**S.B. 03-290 Enterprise Fund**

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 \$200,000 reverts back to the Parks Cash Fund.

***Request and Recommendation:*** The Department requests an appropriation of \$200,000 cash funds from the Stores Revolving Fund (Section 33-10-111.5 (4), C.R.S.) for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Information Technology**

This line item supports communications infrastructure, connectivity at Parks and Wildlife properties, asset management, user support, standardized software applications, internet oversight, development of information technology policies and plans, and the development and maintenance of business applications. The current line item combined duplicate line items within in the former Parks and Outdoor Recreation and Wildlife subdivisions in the old Long Bill structure.

***Request and Recommendation:*** The Department requests an appropriation of \$2,881,895 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Natural Resource Protection**

This line item was added during FY 2010-11 as part of a capital construction budget reorganization that moved part of the capital construction budget into the operating budget. The Natural Resources Protection program conducts fuels mitigation projects that involve improving the resilience of state parks areas to recover from wildfires by cutting and removing diseased timber and brush. By investing in the treatment of 1,200 to 1,500 acres of hazardous forest fuels annually, the program enables Colorado State Parks to reduce suppression costs, improve visitor and firefighter safety, reduce impacts on water and air quality, improve wildlife habitat and significantly reduce costs resulting from wildfires.

***Request and Recommendation:*** The Department requests an appropriation of \$600,000 total funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Trails Grants**

The Trails Grants line item was added during FY 2010-11 as part of a capital construction budget reorganization that moved part of the capital construction budget into the operating budget. This program provides technical assistance and training on trail design, development, and maintenance to agencies, communities, and non-profit groups statewide. It provides public information on trails through maps, newsletters, and electronic media. The Trails program also encourages Youth Corp trail projects, volunteerism and public stewardship for trails on public lands. Grants are made to third parties and the work does not result in a physical asset owned by the state. Cash funds in this line item come from Great Outdoors Colorado (GOCO) and lottery proceeds and are shown in the Long Bill for informational purposes only.

**Request and Recommendation:** The Department requests an appropriation of \$2,200,000 total funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**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 from state waters. The bill created the Division of Parks and Outdoor Recreation Aquatic Nuisance Species Fund and the Division of Wildlife Aquatic Nuisance Species Fund which are continuously appropriated. Both funds receive transfers from Tier II of the Severance Tax Operational Fund. This line item maintains funding in the separate ANS accounts, but combines the duplicate line items from the former Parks and Outdoor Recreation and Wildlife subdivisions. The appropriation is included in the Long Bill for informational purposes only.

**Request:** The Department requests an appropriation of \$3,879,355 cash funds and 4.0 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Division of Parks and Wildlife, Special Purpose, S.B. 08-226 Aquatic Nuisance Species</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$3,866,639</u>	<u>\$0</u>	<u>\$3,866,639</u>	<u>\$0</u>	<u>4.0</u>
<b>TOTAL</b>	<b>\$3,866,639</b>	<b>\$0</b>	<b>\$3,866,639</b>	<b>\$0</b>	<b>4.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$3,866,639	\$0	\$3,866,639	\$0	4.0
Annualize prior year funding	<u>12,716</u>	<u>0</u>	<u>12,716</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,879,355</b>	<b>\$0</b>	<b>\$3,879,355</b>	<b>\$0</b>	<b>4.0</b>

*JBC Staff Figure Setting: FY 2015-16  
Staff Working Document – Does Not Represent Committee Decision*

<b>Division of Parks and Wildlife, Special Purpose, S.B. 08-226 Aquatic Nuisance Species</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$12,716	\$0	\$12,716	\$0	0.0
Percentage Change	0.3%	0.0%	0.3%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$3,879,355</b>	<b>\$0</b>	<b>\$3,879,355</b>	<b>\$0</b>	<b>4.0</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

**Game Damage Claims and Prevention**

The Game Damage program is a prevention and reimbursement program that compensates ranchers, farmers, and landowners for damage caused by big game animals. This line item includes funds for the purchase of fencing, pyrotechnics and other materials provided to landowners to prevent damage (and potential DPW liability) to standing and harvested crops, forage, and other property. Approximately half of the expenditures for this line item are for game damage prevention and the other half is for claims. However, spending on claims is unpredictable and dependent upon a myriad of factors, including the weather. Staff notes that S.B. 09-024 changed the amount of time the Division has to contact landowners and provide game damage prevention materials.

***Request and Recommendation:*** The Department requests an appropriation of \$1,282,500 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Instream Flow Program**

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 rights and secure minimum stream flows and lake volumes to preserve the natural environment and maintain native aquatic wildlife populations.

***Request and Recommendation:*** The Department requests an appropriation of \$296,027 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Habitat Partnership Program**

The Habitat Partnership Program is managed through 19 local committees and a state council, for the purpose of reducing wildlife conflicts, especially those related to forage and fencing issues. Local committees develop big game distribution management plans designed to minimize such wildlife conflicts. This line item 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., the program is funded by an annual transfer of 5.0 percent of the net sales of big game hunting licenses used in geographic locations represented by a Habitat Partnership Committee. Moneys in the Habitat Partnership Cash Fund are continuously appropriated and included in the Long Bill for informational purposes only.

***Request and Recommendation:*** The Department requests an appropriation of \$2,500,000 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Grants and Habitat Partnerships**

This line item, formerly in the Capital Construction budget, contains projects related to (1) grants for habitat improvement on private property under the Pheasant Habitat Partnership Program; (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. Appropriations under this line item are available for three years, as authorized in the Long Bill footnote included below.

***Request and Recommendation:*** The Department requests an appropriation of \$1,625,000 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request and continuing the following footnote from FY 2014-15 with an adjustment to accurately reflect three-year spending authority:

**XX Department of Natural Resources, Division of Parks and Wildlife, Special Purpose, Grants and Habitat Partnerships** - The appropriation for this line item remains available until the completion of the project or the close of FY ~~2016-17~~ FY 2017-18, whichever comes first.

**Asset Maintenance and Repairs**

This line item is the product of the FY 2014-15 consolidation of two line items with similar functions, one from each of the former Parks and Wildlife subdivisions. The original line items were transferred from the Capital Construction budget in FY 2010-11. The appropriation provides funding for controlled maintenance projects that are generally under \$50,000. Typical projects include weed spraying, roof repairs, shoreline stabilization, repairs to water and sewer lines, road and parking lot repairs, and ADA compliance updates. Appropriations under this line item are available for three years, as authorized in the Long Bill footnote included below.

***Request and Recommendation:*** The Department requests an appropriation of \$2,606,880 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request and continuing the following footnote from FY 2014-15 with an adjustment to accurately reflect three-year spending authority:

**XX Department of Natural Resources, Division of Parks and Wildlife, Special Purpose, Asset Maintenance and Repairs** - The appropriation for this line item remains available until the completion of the project or the close of FY ~~2016-17~~ FY 2017-18, whichever comes first.

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

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**Indirect Cost Assessment**

This line item reflects indirect cost assessments to cash and federal funds within the Division of Parks and Wildlife. The Department uses indirect cost recoveries to offset General Fund that would otherwise be required to pay for services from the Executive Director’s Office.

**Request:** The Department requests an appropriation of \$5,325,240 total funds for FY 2015-16. This represents an increase in indirect cost recoveries collected from this division.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Division of Parks and Wildlife, Special Purpose, Indirect Cost Assessment</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	\$5,136,678	\$0	\$4,416,577	\$720,101	0.0
<b>TOTAL</b>	<b>\$5,136,678</b>	<b>\$0</b>	<b>\$4,416,577</b>	<b>\$720,101</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$5,136,678	\$0	\$4,416,577	\$720,101	0.0
Indirect cost assessment	<u>188,562</u>	<u>0</u>	<u>260,586</u>	<u>(72,024)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$5,325,240</b>	<b>\$0</b>	<b>\$4,677,163</b>	<b>\$648,077</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$188,562	\$0	\$260,586	(\$72,024)	0.0
Percentage Change	3.7%	0.0%	5.9%	(10.0%)	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$5,325,240</b>	<b>\$0</b>	<b>\$4,677,163</b>	<b>\$648,077</b>	<b>0.0</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

## (6) Colorado Water Conservation Board

The Colorado Water Conservation Board (CWCB) was created in 1937 with a mission to conserve, develop, protect, and manage Colorado’s water for present and future generations. Section 37-60-104 (1), C.R.S., defines the requirement of the 15-member Board of Directors and Section 37-60-106, C.R.S., describes the duties of those board members “to promote the conservation of the waters of the state of Colorado in order to secure the greatest utilization of such waters and the utmost prevention of floods.”

The CWCB has access to two large cash fund accounts, the CWCB Construction Fund and the Severance Tax Perpetual Base Fund, to provide loans and grants for projects that will increase the beneficial consumptive use of Colorado's undeveloped compact entitled waters.

### DIVISION REQUEST AND RECOMMENDATION SUMMARY

There are no decision items that impact appropriations for the Colorado Water Conservation Board in FY 2015-16. The Department’s request includes: (1) the annualization of merit pay and salary survey; (2) adjustments to the Division's indirect cost assessment; and (3) the annualization of the 2014 CWCB Construction Fund Projects bill (H.B. 14-1333). *Staff recommends approving the Department's request as shown in the table below.*

<b>Colorado Water Conservation Board</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$8,676,262	\$0	\$8,218,275	\$291,587	\$166,400	45.7
Other legislation	<u>5,050,000</u>	<u>0</u>	<u>5,050,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$13,726,262</b>	<b>\$0</b>	<b>\$13,268,275</b>	<b>\$291,587</b>	<b>\$166,400</b>	<b>45.7</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$13,726,262	\$0	\$13,268,275	\$291,587	\$166,400	45.7
Indirect cost assessment	49,369	0	39,903	0	9,466	0.0
Annualize prior year funding	<u>(4,927,329)</u>	<u>0</u>	<u>(4,931,683)</u>	<u>0</u>	<u>4,354</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,848,302</b>	<b>\$0</b>	<b>\$8,376,495</b>	<b>\$291,587</b>	<b>\$180,220</b>	<b>45.7</b>
<b>Increase/(Decrease)</b>	(\$4,877,960)	\$0	(\$4,891,780)	\$0	\$13,820	0.0
Percentage Change	(35.5%)	0.0%	(36.9%)	0.0%	8.3%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$8,848,302</b>	<b>\$0</b>	<b>\$8,376,495</b>	<b>\$291,587</b>	<b>\$180,220</b>	<b>45.7</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**LINE ITEM DETAIL**

**(A) ADMINISTRATION**

**Personal Services**

**Request:** The Department requests an appropriation of \$3,076,632 total funds and 30.0 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Colorado Water Conservation Board, Administration, Personal Services</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$2,985,925</u>	<u>\$0</u>	<u>\$2,694,338</u>	<u>\$291,587</u>	<u>30.0</u>
<b>TOTAL</b>	<b>\$2,985,925</b>	<b>\$0</b>	<b>\$2,694,338</b>	<b>\$291,587</b>	<b>30.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$2,985,925	\$0	\$2,694,338	\$291,587	30.0
Annualize prior year funding	<u>90,707</u>	<u>0</u>	<u>90,707</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,076,632</b>	<b>\$0</b>	<b>\$2,785,045</b>	<b>\$291,587</b>	<b>30.0</b>
<b>Increase/(Decrease)</b>	\$90,707	\$0	\$90,707	\$0	0.0
Percentage Change	3.0%	0.0%	3.4%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$3,076,632</b>	<b>\$0</b>	<b>\$2,785,045</b>	<b>\$291,587</b>	<b>30.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

**Operating Expenses**

This line item funds the day-to-day operating costs of the CWCB, the utilization and development of entitlements under interstate compacts, the maintenance of equitable apportionment decrees in accordance with state water law, and Western States Water Council dues.

**Request and Recommendation:** The Department requests an appropriation of \$472,894 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**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 and maintained by the CWCB and the Division of Water Resources (DWR) for each of Colorado's major water basins.

**Request:** The Department requests an appropriation of \$474,511 cash funds and 4.0 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Colorado Water Conservation Board, Administration, River Decision Support Systems</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$464,075</u>	<u>\$0</u>	<u>\$464,075</u>	<u>\$0</u>	<u>4.0</u>
<b>TOTAL</b>	<b>\$464,075</b>	<b>\$0</b>	<b>\$464,075</b>	<b>\$0</b>	<b>4.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$464,075	\$0	\$464,075	\$0	4.0
Annualize prior year funding	<u>10,436</u>	<u>0</u>	<u>10,436</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$474,511</b>	<b>\$0</b>	<b>\$474,511</b>	<b>\$0</b>	<b>4.0</b>
<b>Increase/(Decrease)</b>	\$10,436	\$0	\$10,436	\$0	0.0
Percentage Change	2.2%	0.0%	2.2%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$474,511</b>	<b>\$0</b>	<b>\$474,511</b>	<b>\$0</b>	<b>4.0</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

**(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) and provides the CWCB with funding for an on-going basin by basin analysis. The objective of the SWSI is to help Colorado maintain an adequate water supply for its citizens and the environment.

**Request and Recommendation:** The Department requests an appropriation of \$470,464 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Federal Emergency Management Assistance**

This is a federally funded program that provides flood plain mapping and information about flood prevention. This line item also supports 2.0 FTE for the Map Modernization Coordinator and the State Coordinator for the National Flood Insurance Program (NFIP). The Map Modernization Coordinator is responsible for the management of the Map Modernization Program and ensuring high quality mapping products. The State Coordinator for NFIP is responsible for performance measurement, community assistance visits, ordinance assistance, community information system, floodplain mitigation strategies, education and outreach, technical assistance, Community Rating System (CRS) support, mapping coordination assistance, intra- and inter-state coordination, and other related activities. The position also serves as the State Hazard Mitigation Officer in the event of a federally declared flood disasters, and has a primary responsibility as the CWCB representative within Disaster Field Offices when they become active.

**Request:** The Department requests an appropriation of \$153,373 total funds and 2.0 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Colorado Water Conservation Board, Special Purpose, Federal Emergency Management Assistance</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$149,019</u>	<u>\$0</u>	<u>\$13,732</u>	<u>\$135,287</u>	<u>2.0</u>
<b>TOTAL</b>	<b>\$149,019</b>	<b>\$0</b>	<b>\$13,732</b>	<b>\$135,287</b>	<b>2.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$149,019	\$0	\$13,732	\$135,287	2.0
Annualize prior year funding	<u>4,354</u>	<u>0</u>	<u>0</u>	<u>4,354</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$153,373</b>	<b>\$0</b>	<b>\$13,732</b>	<b>\$139,641</b>	<b>2.0</b>
<b>Increase/(Decrease)</b>	\$4,354	\$0	\$0	\$4,354	0.0
Percentage Change	2.9%	0.0%	0.0%	3.2%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$153,373</b>	<b>\$0</b>	<b>\$13,732</b>	<b>\$139,641</b>	<b>2.0</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

**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 fees 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.

**Request and Recommendation:** The Department requests an appropriation of \$25,000 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Water Conservation Program**

Section 37-60-124, C.R.S. established the Office of Water Conservation and Drought Planning (OWCDP) 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 and financial assistance pursuant to statute. The OWCDP also promotes drought planning by encouraging and assisting communities to prepare and implement drought mitigation plans and by monitoring drought impacts and informing the public, media, and state officials.

**Request:** The Department requests an appropriation of \$304,185 total funds and 4.0 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Colorado Water Conservation Board, Special Purpose, Water Conservation Program</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$297,615</u>	<u>\$0</u>	<u>\$297,615</u>	<u>\$0</u>	<u>4.0</u>
<b>TOTAL</b>	<b>\$297,615</b>	<b>\$0</b>	<b>\$297,615</b>	<b>\$0</b>	<b>4.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$297,615	\$0	\$297,615	\$0	4.0
Annualize prior year funding	<u>6,570</u>	<u>0</u>	<u>6,570</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$304,185</b>	<b>\$0</b>	<b>\$304,185</b>	<b>\$0</b>	<b>4.0</b>
<b>Increase/(Decrease)</b>	\$6,570	\$0	\$6,570	\$0	0.0
Percentage Change	2.2%	0.0%	2.2%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$304,185</b>	<b>\$0</b>	<b>\$304,185</b>	<b>\$0</b>	<b>4.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

**H.B. 05-1254 Water Efficiency Grant Program**

The Water Efficiency Grant Program offers financial assistance to covered entities and qualifying agencies seeking to perform or promote more meaningful water conservation

statewide. This funding supports the implementation of water conservation plan goals and programs identified in locally adopted water conservation plans. The Program also gives grants to help agencies promote the benefits of water efficiency through public education and outreach programs.

**Request and Recommendation:** The Department requests an appropriation of \$598,788 cash funds and 1.0 FTE for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Severance Tax Fund**

This line item is used to support short-term projects with funds from the Severance Tax Operational Fund. The CWCB prepares an annual expenditure proposal for projects to be funded from this line item comprised of agency initiatives and grant requests submitted by other parties. Proposals are forwarded to the CWCB Board and the DNR Executive Director for review and approval. The DNR includes approved projects in its budget request.

**Request and Recommendation:** The Department requests an appropriation of \$1,275,500 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Interbasin Compacts**

House Bill 05-1177 created nine permanent basin roundtables to develop a common understanding of existing water supplies and future water supply needs and demands throughout Colorado, and possible means of meeting those needs. These “Basin Roundtables” include municipal users, agricultural users, local governments, water conservation and conservancy districts, recreational and environmental interests, and the business community. The focus of the Basin Roundtable meetings is information exchange on water use and on consensus building.

**Request:** The Department requests an appropriation of \$1,147,968 cash funds and 3.7 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Colorado Water Conservation Board, Special Purpose, Interbasin Compacts</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$1,141,167</u>	<u>\$0</u>	<u>\$1,141,167</u>	<u>\$0</u>	<u>3.7</u>
<b>TOTAL</b>	<b>\$1,141,167</b>	<b>\$0</b>	<b>\$1,141,167</b>	<b>\$0</b>	<b>3.7</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$1,141,167	\$0	\$1,141,167	\$0	3.7
Annualize prior year funding	<u>6,801</u>	<u>0</u>	<u>6,801</u>	<u>0</u>	<u>0.0</u>

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Colorado Water Conservation Board, Special Purpose, Interbasin Compacts</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$1,147,968</b>	<b>\$0</b>	<b>\$1,147,968</b>	<b>\$0</b>	<b>3.7</b>
<b>Increase/(Decrease)</b>	\$6,801	\$0	\$6,801	\$0	0.0
Percentage Change	0.6%	0.0%	0.6%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$1,147,968</b>	<b>\$0</b>	<b>\$1,147,968</b>	<b>\$0</b>	<b>3.7</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

**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.

**Request:** The Department requests an appropriation of \$239,762 cash funds and 1.0 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Colorado Water Conservation Board, Special Purpose, Platte River Basin Cooperative Agreement</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$235,959</u>	<u>\$0</u>	<u>\$235,959</u>	<u>\$0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$235,959</b>	<b>\$0</b>	<b>\$235,959</b>	<b>\$0</b>	<b>1.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$235,959	\$0	\$235,959	\$0	1.0
Annualize prior year funding	<u>3,803</u>	<u>0</u>	<u>3,803</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$239,762</b>	<b>\$0</b>	<b>\$239,762</b>	<b>\$0</b>	<b>1.0</b>
<b>Increase/(Decrease)</b>	\$3,803	\$0	\$3,803	\$0	0.0
Percentage Change	1.6%	0.0%	1.6%	0.0%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$239,762</b>	<b>\$0</b>	<b>\$239,762</b>	<b>\$0</b>	<b>1.0</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

**S.B. 02-087 Colorado Watershed Protection Fund**

Senate Bill 02-87 created income tax check off to allow citizens to support local watershed efforts by making a voluntary contribution.

**Request and Recommendation:** The Department requests an appropriation of \$119,942 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Indirect Cost Assessment**

Indirect cost assessments are charged to cash and federally-funded programs for departmental and statewide overhead costs. The indirect cost assessments for this Department are based upon personal services costs of cash and federally funded FTE in each division.

**Request:** The Department requests an appropriation of \$489,283 total funds for FY 2015-16. This represents an increase in indirect cost recoveries collected from this division.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Colorado Water Conservation Board, Special Purpose, Indirect Cost Assessment</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$439,914</u>	<u>\$0</u>	<u>\$408,801</u>	<u>\$31,113</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$439,914</b>	<b>\$0</b>	<b>\$408,801</b>	<b>\$31,113</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$439,914	\$0	\$408,801	\$31,113	0.0
Indirect cost assessment	<u>49,369</u>	<u>0</u>	<u>39,903</u>	<u>9,466</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$489,283</b>		<b>\$448,704</b>	<b>\$40,579</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$49,369	\$0	\$39,903	\$9,466	0.0
Percentage Change	11.2%	0.0%	9.8%	30.4%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$489,283</b>	<b>\$0</b>	<b>\$448,704</b>	<b>\$40,579</b>	<b>0.0</b>
Request Above/(Below)					
Recommendation	\$0		\$0	\$0	0.0

## (7) Water Resources Division

The Water Resources Division, also called the Office of the State Engineer, is primarily responsible for administration of water resources, which includes overseeing over 170,000 intrastate surface and groundwater rights, as well as ensuring compliance with nine interstate compact agreements. The Division has seven field offices that monitor and distribute water based on priority and ensure dam safety. Additionally, the Division issues permits for well construction; engages in community education; consults with water suppliers and conservation districts; and collects, preserves, and provides current and historic water records and information.

### DIVISION REQUEST AND RECOMMENDATION SUMMARY

The following table summarizes the staff recommendation for the Water Resources Division. For this division, the staff recommendation matches the Department’s request for each line item and includes Department request R2 regarding enhanced water administration. *Staff recommends approving the Department's request as shown in the table below.*

Water Resources Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$21,475,730	\$19,594,845	\$1,681,828	\$0	\$199,057	255.8
Other legislation	<u>330,000</u>	<u>0</u>	<u>330,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$21,805,730</b>	<b>\$19,594,845</b>	<b>\$2,011,828</b>	<b>\$0</b>	<b>\$199,057</b>	<b>255.8</b>
<b>FY 2015-16 Recommended Appropriation</b>						
FY 2014-15 Appropriation	\$21,805,730	\$19,594,845	\$2,011,828	\$0	\$199,057	255.8
R2 Enhanced water administration	170,869	170,869	0	0	0	2.4
Annualize prior year funding	269,157	581,928	(312,771)	0	0	0.3
Indirect cost assessment	<u>23,914</u>	<u>0</u>	<u>20,528</u>	<u>0</u>	<u>3,386</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$22,269,670</b>	<b>\$20,347,642</b>	<b>\$1,719,585</b>	<b>\$0</b>	<b>\$202,443</b>	<b>258.5</b>
<b>Increase/(Decrease)</b>	\$463,940	\$752,797	(\$292,243)	\$0	\$3,386	2.7
Percentage Change	2.1%	3.8%	(14.5%)	0.0%	1.7%	1.1%
<b>FY 2015-16 Executive Request:</b>	<b>\$22,269,670</b>	<b>\$20,347,642</b>	<b>\$1,719,585</b>	<b>\$0</b>	<b>\$202,443</b>	<b>258.5</b>
Request Above/(Below)						
Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## LINE ITEM DETAIL

### (A) DIVISION OPERATIONS

#### **Water Administration**

Water Administration consists of two sub-programs: administration of intrastate water rights and interstate compact enforcement. It is the statutory responsibility of DWR to verify: 1) stream diversions are per decree; 2) wells are operated in compliance with their decrees; 3) augmentation plans, or substitute water supply plans are replacing stream depletions; and 4) interstate compact flows are delivered to downstream states. This requires daily oversight of the water allocation system. There are seven division offices located throughout the state, one in each major drainage basin; these division offices employ field staff, including water commissioners, who perform duties that contribute to water administration. Duties of the field staff include turning headgates to control water flow, collecting water use and/or diversion data, and enforcing decrees and water laws.

**Request:** The Department requests an appropriation of \$20,793,870 total funds, including \$20,152,674 General Fund, and 251.5 FTE for FY 2015-16. This includes the annualization of merit pay, salary survey, and prior year funding for the program, as well as the Department's request R2 regarding enhanced water administration.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Water Resources Division, Division Operations, Water Administration</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>				
HB 14-1336 (Long Bill)	<u>\$20,041,073</u>	<u>\$19,399,877</u>	<u>\$641,196</u>	<u>248.8</u>
<b>TOTAL</b>	<b>\$20,041,073</b>	<b>\$19,399,877</b>	<b>\$641,196</b>	<b>248.8</b>
<b>FY 2015-16 Recommended Appropriation</b>				
FY 2014-15 Appropriation	\$20,041,073	\$19,399,877	\$641,196	248.8
R2 Enhanced water administration	170,869	170,869	0	2.4
Annualize prior year funding	<u>581,928</u>	<u>581,928</u>	<u>0</u>	<u>0.3</u>
<b>TOTAL</b>	<b>\$20,793,870</b>	<b>\$20,152,674</b>	<b>\$641,196</b>	<b>251.5</b>
<b>Increase/(Decrease)</b>	\$752,797	\$752,797	\$0	2.7
Percentage Change	3.8%	3.9%	0.0%	1.1%
<b>FY 2015-16 Executive Request:</b>	<b>\$20,793,870</b>	<b>\$20,152,674</b>	<b>\$641,196</b>	<b>251.5</b>
Request Above/(Below)				
Recommendation	\$0	\$0	\$0	0.0

**➔ R2 Enhanced Water Administration**

**Request:** The Department request includes an increase of \$213,140 General Fund and 2.4 FTE to hire deputy well and water commissioners in response to increasing water administration responsibilities in the Arkansas and Yampa River basins, and to fund a statewide coordinator to support the Water Rights Tabulation and Diversion Records teams.

**Recommendation:** The staff recommendation includes an increase of \$170,869 General Fund and 2.4 FTE. This is \$42,271 less than the Department request because, pursuant to Committee common policy, staff is not recommending funding for centrally appropriated items for new FTE in the first year.

**Analysis:** The Department's request has three separate components discussed below.

*1) Deputy Well Commissioners for Groundwater Administration in the Arkansas River Basin*

The Department request includes \$84,596 General Fund and 1.0 FTE for two additional deputy well commissioners to administer groundwater in the Arkansas River basin. These positions will be responsible for administering coalbed methane wells that produce groundwater, making sure wells are operating in compliance with groundwater rules, overseeing irrigation development, and verifying efforts to comply with the Arkansas River Compact. The Department indicates that the two additional well commissioners will help maximize the beneficial use of water in the Arkansas River basin and ensure Compact compliance. Without additional FTE, the Department is concerned that Colorado water users would not receive all the water to which they are entitled, and compliance with the Compact would be more difficult to monitor, which could lead to costly legal action over violations.

The Department identified two main factors driving an increased workload and need for groundwater administration in this river basin: (1) new responsibility for 3,700 coalbed methane (CBM) wells; and (2) increased monitoring obligations under the Arkansas River Compact as decreed by U.S. Supreme Court in the 2009 *Kansas v. Colorado* decision.

*Coalbed Methane Wells:* In the 2010 *Vance v. Wolfe* decision, the Colorado Supreme Court ruled that all wells producing groundwater through the CBM extraction process put that water to beneficial use and were subject to permitting and administration by the DWR. As a result, the Division assumed responsibility for oversight of 3,700 CBM wells in the Arkansas River basin alone, a 37.0 percent increase in total number of wells under administration in Division 2.

*Arkansas River Compact:* The Arkansas River Compact between Kansas and Colorado was approved by Congress in 1949 and specified that any future development could not materially deplete the quantity or availability of water in the river. Kansas filed suit against Colorado in 1985 for being in violation of the compact by allowing alluvial well pumping to reduce flows at the state line without requiring sufficient augmentation to maintain flow. Augmentation plans were required starting in 1996 and the case was settled in 2009, but Colorado was held liable for

\$34.7 million and is subject to specific requirements for strict well and groundwater administration above and beyond existing augmentation rules.

The DWR has an increased obligation to update data on irrigated acreage using satellite imagery on a five-year basis, verify how water is used on farms with wells, and inspect parcels dried up to provide augmentation supplies for other well depletions. Some of these inspections were already being conducted as the case progressed, but they were formally incorporated into the settlement at a level that requires a higher level of vigilance. This is complicated by two other factors:

- Flood irrigation in the basin is starting to be replaced with center pivot sprinkler systems. This has made the application of water to fields much more efficient, reducing the amount of return flow to the river that previously helped keep the river in compliance. The DWR established rules in 2011 to administer irrigation improvements as a preventative effort to avoid future compact violations.
- Less municipal water is available to augment groundwater pumping in the Arkansas River basin. This causes more acres to be dried up, increasing the number of inspections that need to be completed by DWR staff.

Overall, the total number of inspections required under the *Kansas v. Colorado* settlement and new irrigation improvement rules has increased 65.2 percent since 2003. The increasing trend is expected to continue as more farms convert to center pivot irrigation and conditions become drier in the basin. Given the increased workload and the importance of staying in compliance with the Arkansas River Compact to avoid costly legal action, *staff recommends* approving this portion of the Department's request, less the cost of centrally appropriated items pursuant to Committee common policy.

## *2) Deputy Water Commissioner in the Yampa River Basin*

The Department request includes \$42,178 General Fund and 0.5 FTE for one permanent part time deputy water commissioner in Districts 57 and 58 of the Yampa River basin. This position will assist with increased administration requirements and help ensure optimal water use in Districts 57 and 58 during the irrigation season.

Strict administration practices are relatively new to Division 6 where water supply has historically exceeded demand. Districts 57 and 58 were not designated as over-appropriated or subject to strict administration until 2011. As a result, many water rights in the area do not have the infrastructure necessary for administration, and water users are not practiced at navigating calls on the river to ensure delivery of the appropriate amount of water.

In Districts 57 and 58, the effort to bring the more than 850 active diversion structures and associated measuring devices into compliance has increased regulatory orders from one to 65 in three years. Of all the water court applications in Division 6, 75.0 percent come from these two districts alone. After the required infrastructure is established, the number of regulatory orders is expected remain constant as water commissioners start to actively administer water rights by making adjustments to headgates and other diversion structures.



structures have both become increasingly complex as demand exceeds supply and more beneficial uses for scarce water supplies are recognized. Records of water rights and diversion structures must be consistent and accurate across all divisions in order to be useful to the courts, policy-makers, and the public. Additionally, the accuracy of records is critical to water planning, administration, and compliance with interstate compacts. Incomplete or inaccurate records can have a considerable negative financial impact for both private water users and the state.

One recommendation from the recent H.B. 12-1278 study in the South Platte River basin was the addition of a senior staff position to provide leadership on water rights tabulation and diversion records in Division 1. This is essentially the same as the requested position, but the DWR has indicated a coordinator can be leveraged to organize these activities and increase efficiency across all seven divisions, not just in South Platte River basin (Division 1).

The addition of the coordinator will increase efficiency, standardize protocols for data collection and maintenance, increase data quality, and ensure consistency in water rights tabulation and diversion records across all water divisions in the state. As such, *staff recommends* approving this portion of the Department request, less the cost of centrally appropriated items pursuant to Committee common policy. This is the final step in the DWR's long-term reorganization of the business process support structure and the Department has indicated that it does not anticipate a need for any additional staff going forward.

**Well Inspection**

The Well Inspection Program licenses water well construction contractors and enforces existing rules and regulations for the construction, repair, plugging, sealing, and abandonment of all wells; test holes; monitoring and observation holes/wells; and dewatering wells. The General Assembly created the State Board of Examiners of Water Well Construction and Pump Installation Contractors to develop standards for construction to protect the aquifers and to license contractors for well construction. The General Assembly passed Senate Bill 03-045 authorizing the creation of a well inspection program that is funded through a well permit application fee (Section 37-91-113, C.R.S.).

**Request:** The Department requests an appropriation of \$379,038 cash funds and 3.0 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the following table.

<b>Water Resources Division, Division Operations, Well Inspection</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>				
HB 14-1336 (Long Bill)	<u>\$371,956</u>	<u>\$0</u>	<u>\$371,956</u>	<u>3.0</u>
<b>TOTAL</b>	<b>\$371,956</b>	<b>\$0</b>	<b>\$371,956</b>	<b>3.0</b>

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Water Resources Division, Division Operations, Well Inspection</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Recommended Appropriation</b>				
FY 2014-15 Appropriation	\$371,956	\$0	\$371,956	3.0
Annualize prior year funding	<u>7,082</u>	<u>0</u>	<u>7,082</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$379,038</b>	<b>\$0</b>	<b>\$379,038</b>	<b>3.0</b>
<b>Increase/(Decrease)</b>				
	\$7,082	\$0	\$7,082	0.0
Percentage Change	1.9%	0.0%	1.9%	0.0%
<b>FY 2015-16 Executive Request:</b>				
Request Above/(Below)	<b>\$379,038</b>	<b>\$0</b>	<b>\$379,038</b>	<b>3.0</b>
Recommendation	\$0	\$0	\$0	0.0

**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. Some revenue is generated through voluntary fees from local conservancy districts, water users, user associations, and municipalities, which are deposited in the Satellite Monitoring System Cash Fund created in Section 37-80-111.5 (1) (c), C.R.S.

**Request:** The Department requests an appropriation of \$505,028 total funds, including \$194,968 General Fund, and 2.0 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Water Resources Division, Division Operations, Satellite Monitoring System</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>				
HB 14-1336 (Long Bill)	<u>\$499,857</u>	<u>\$194,968</u>	<u>\$304,889</u>	<u>2.0</u>
<b>TOTAL</b>	<b>\$499,857</b>	<b>\$194,968</b>	<b>\$304,889</b>	<b>2.0</b>
<b>FY 2015-16 Recommended Appropriation</b>				
FY 2014-15 Appropriation	\$499,857	\$194,968	\$304,889	2.0
Annualize salary survey and merit pay	<u>5,171</u>	<u>0</u>	<u>5,171</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$505,028</b>	<b>\$194,968</b>	<b>\$310,060</b>	<b>2.0</b>

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Water Resources Division, Division Operations, Satellite Monitoring System</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$5,171	\$0	\$5,171	0.0
Percentage Change	1.0%	0.0%	1.7%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$505,028</b>	<b>\$194,968</b>	<b>\$310,060</b>	<b>2.0</b>
Request Above/(Below)				
Recommendation	\$0	\$0	\$0	0.0

**Federal Grants**

This line item is funded by federal grants from the Federal Emergency Management Agency (FEMA) and the U.S. Bureau of Reclamation. FEMA grants are used support the Division's Dam Safety program, and Bureau of Reclamation grants support a water project in the San Luis Valley and provide gauging station maintenance for the Williams Fork gauge in northwestern Colorado.

***Request and Recommendation:*** The Department requests an appropriation of \$194,260 federal funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**River Decision Support Systems**

This line item supports a statewide decision support system for the Colorado, Rio Grande, South Platte, and Arkansas River Basins. The Colorado Decision Support 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 geographic information systems.

***Request:*** The Department requests an appropriation of \$211,208 cash funds and 2.0 FTE for FY 2015-16. This includes the annualization of prior year merit pay and salary survey.

***Recommendation:*** Staff recommends approving the Department's request as shown in the table below.

<b>Water Resources Division, Division Operations, River Decision Support Systems</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>				
HB 14-1336 (Long Bill)	<u>\$206,232</u>	<u>\$0</u>	<u>\$206,232</u>	<u>2.0</u>
<b>TOTAL</b>	<b>\$206,232</b>	<b>\$0</b>	<b>\$206,232</b>	<b>2.0</b>
<b>FY 2015-16 Recommended Appropriation</b>				
FY 2014-15 Appropriation	\$206,232	\$0	\$206,232	2.0

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Water Resources Division, Division Operations, River Decision Support Systems</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
Annualize salary survey and merit pay	4,976	0	4,976	0.0
<b>TOTAL</b>	<b>\$211,208</b>	<b>\$0</b>	<b>\$211,208</b>	<b>2.0</b>
<b>Increase/(Decrease)</b>	\$4,976	\$0	\$4,976	0.0
Percentage Change	2.4%	0.0%	2.4%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$211,208</b>	<b>\$0</b>	<b>\$211,208</b>	<b>2.0</b>
Request Above/(Below)				
Recommendation	\$0	\$0	\$0	0.0

**(B) SPECIAL PURPOSE**

**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 Fund, which is replenished from transfers from 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. There has been no event requiring the use of these funds to date, but any funds expended are recoverable from the dam owner.

***Request and Recommendation:*** The Department requests an appropriation of \$50,000 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**H.B. 03-1334 Temporary Interruptible Water Supply Agreements**

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 Engineer 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. Funding for this line item comes from the Water Resources Cash Fund.

***Request and Recommendation:*** The Department requests an appropriation of \$61,589 cash funds for FY 2015-16. This represents continuation-level funding with no change from the FY 2014-15 appropriation. Staff recommends approving the Department's request.

**Indirect Cost Assessment**

Indirect cost assessments are charged to cash and federally-funded programs for departmental and statewide overhead costs. The indirect cost assessments for this Department are based upon personal services costs of cash and federally funded FTE in each division.

*JBC Staff Figure Setting: FY 2015-16*  
*Staff Working Document – Does Not Represent Committee Decision*

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**Request:** The Department requests an appropriation of \$74,677 total funds for FY 2015-16. This represents an increase in indirect cost recoveries collected from this division.

**Recommendation:** Staff recommends approving the Department's request as shown in the table below.

<b>Water Resources Division, Special Purpose, Indirect Cost Assessment</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>					
HB 14-1336 (Long Bill)	<u>\$50,763</u>	<u>\$0</u>	<u>\$45,966</u>	<u>\$4,797</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$50,763</b>	<b>\$0</b>	<b>\$45,966</b>	<b>\$4,797</b>	<b>0.0</b>
<b>FY 2015-16 Recommended Appropriation</b>					
FY 2014-15 Appropriation	\$50,763	\$0	\$45,966	\$4,797	0.0
Indirect cost assessment	<u>23,914</u>	<u>0</u>	<u>20,528</u>	<u>3,386</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$74,677</b>	<b>\$0</b>	<b>\$66,494</b>	<b>\$8,183</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$23,914	\$0	\$20,528	\$3,386	0.0
Percentage Change	47.1%	0.0%	44.7%	70.6%	0.0%
<b>FY 2015-16 Executive Request:</b>	<b>\$74,677</b>	<b>\$0</b>	<b>\$66,494</b>	<b>\$8,183</b>	<b>0.0</b>
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

## Long Bill Footnotes and Requests for Information

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### LONG BILL FOOTNOTES

Staff recommends that the following footnotes be **discontinued**:

- 1 All Departments except Department of Corrections and Department of Human Services, Totals** -- It is the intent of the General Assembly that when each department applies the 3.0 percent salary survey increase reflected in the salary survey line item appropriations, each employee shall receive a base-building increase up to the range maximum, and that salary survey increase amounts over the range maximum shall not be base-building.

Comment: This footnote was common to all departments and pertained to salary survey in the 2014 Long Bill.

- XX Department of Natural Resources, Division of Reclamation, Mining, and Safety, Emergency Response Costs** -- It is the General Assembly's intent that the purpose of increasing this line item appropriation is to fund all emergency response costs for the Division of Reclamation, Mining, and Safety.

Comment: This footnote pertains to the approved increase in appropriation for this line item in the 2014 Long Bill.

Staff recommends that the following footnotes be **continued** with modifications shown in struck text:

- XX Department of Natural Resources, Division of Reclamation, Mining, and Safety, Inactive Mines, Mine Site Reclamation** -- It is the intent of the General Assembly that these funds shall remain available until completion of the project or the close of ~~FY 2015-16~~ FY 2016-17, whichever comes first. At project completion or the end of the three-year period, any unexpended balances shall revert to the Operation Account of the Severance Tax Trust Fund from which they were appropriated.

Comment: This footnote provides roll-forward authority at the end of the fiscal year.

- XX Department of Natural Resources, Division of Reclamation, Mining, and Safety, Inactive Mines, Reclamation of Forfeited Mine Sites** -- 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 2015-16~~ FY 2016-17, whichever comes first. At project completion or the end of the three-year period, any unexpended amount shall revert to the Operational Account of the Severance Tax Trust Fund, from which this appropriation was made.

Comment: This footnote provides roll-forward authority at the end of the fiscal year.

**XX Department of Natural Resources, Oil and Gas Conservation Commission, Emergency Response** -- It is the intent of the General Assembly that funding for this line item be expended in the event that there is an oil and gas related emergency under the jurisdiction of the Oil and Gas Conservation Commission. The purpose of this funding is for investigation, prevention, monitoring, and mitigation of circumstances which are caused by or are alleged to be associated with oil and gas activities and which call for immediate action by the Oil and Gas Conservation Commission. An emergency creates a threat to public health, safety, or welfare or to the environment as proclaimed by the Oil and Gas Conservation Commission Director and approved by order of the Oil and Gas Conservation Commission.

Comment: This footnote sets forth the purpose, conditions, and limitations of the line item. The JBC created the Emergency Response line item in FY 2006-07, with an appropriation of \$1.5 million from the Oil and Gas Conservation and Environmental Response Fund. The current appropriation of \$1.0 million is to be used -- if and when necessary -- for emergency responses. The funding was added due to a concern that emergency funding would be necessary during a time when the JBC may not yet be meeting during the interim (and thus would have to wait for an interim supplemental, delaying the Department's ability to respond adequately).

**XX Department of Natural Resources, Oil and Gas Conservation Commission, Special Environmental Protection and Mitigation Studies** -- It is the intent of the General Assembly that funding for this line item be used for special environmental protection and mitigation studies including, but not limited to gas seepage mitigation studies, outcrop monitoring studies, soil gas surveys in the vicinity of plugged orphaned wells, and baseline water quality and subsequent follow-up studies.

Comment: This footnote sets forth the purpose, conditions, and limitations of the line item.

**XX Department of Natural Resources, Division of Parks and Wildlife, Parks and Outdoor Recreation, Special Purpose, Off-highway Vehicle Grants Direct Support--** The appropriation for this line item remains available until the completion of the project or the close of FY ~~2016-17~~ 2017-18, whichever comes first.

Comment: This footnote provides roll-forward authority at the end of the fiscal year.

**XX Department of Natural Resources, Division of Parks and Wildlife, Wildlife, Special Purpose, Grants and Habitat Partnerships** - The appropriation for this line item remains available until the completion of the project or the close of FY ~~2016-17~~ 2017-18, whichever comes first.

Comment: This footnote provides roll-forward authority at the end of the fiscal year.

- XX Department of Natural Resources, Division of Parks and Wildlife, Wildlife, Special Purpose, Asset Maintenance and Repairs** -- The appropriation for this line item remains available until the completion of the project or the close of FY ~~2016-17~~ 2017-18, whichever comes first.

Comment: This footnote provides roll-forward authority at the end of the fiscal year.

## REQUESTS FOR INFORMATION

Staff recommends the **addition** of the following request for information:

- X Department of Natural Resources, Division of Reclamation Mining and Safety, Emergency Response Costs** -- The Division of Reclamation, Mining, and Safety is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.

Staff recommends the **continuation** of the following requests for information:

- 1 Department of Natural Resources, Executive Director's Office, Integrated Resource Services** -- The Department of Natural Resources is requested to provide a report, by November 1, ~~2014~~ 2015, listing the number of projects funded through the Integrated Resource Services line item and the cost of each project. The report should provide information for the most recent year actual expenditures, the current year estimated expenditures, and the request year estimated expenditures.
- 2 Department of Natural Resources, Oil and Gas Conservation Commission, Emergency Response** -- The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
- 3 Department of Natural Resources, Oil and Gas Conservation Commission, Special Environmental Protection and Mitigation Studies** -- The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
- 4 Department of Natural Resources, Division of Parks and Wildlife, Parks and Outdoor Recreation, and Wildlife** -- The Division of Parks and Wildlife is requested to provide the Joint Budget Committee with a report on Parks and Outdoor Recreation and Wildlife sources of revenue as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds Great Outdoors Colorado Board Grants used for operations and capital projects. The report is requested to be submitted by November 1, ~~2014~~ 2015.

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

**Appendix A: Number Pages**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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**DEPARTMENT OF NATURAL RESOURCES**  
**Mike King, Executive Director**

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

This division 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**

Personal Services	<u>3,507,680</u>	<u>3,590,553</u>	<u>3,669,793</u>	<u>3,772,923</u>	<u>3,772,923</u> *
FTE	38.2	39.1	41.3	41.3	41.3
Reappropriated Funds	3,507,680	3,590,553	3,669,793	3,772,923	3,772,923
Health, Life, and Dental	<u>9,980,553</u>	<u>10,898,842</u>	<u>11,376,595</u>	<u>17,239,655</u>	<u>12,761,256</u> *
General Fund	963,577	820,070	1,185,293	1,202,938	1,208,701
Cash Funds	6,188,673	7,063,034	7,654,767	12,282,624	8,472,639
Reappropriated Funds	1,069,178	1,439,495	1,208,214	1,556,484	1,549,549
Federal Funds	1,759,125	1,576,243	1,328,321	2,197,609	1,530,367
Short-term Disability	<u>155,364</u>	<u>174,073</u>	<u>205,739</u>	<u>207,305</u>	<u>206,672</u> *
General Fund	26,141	30,102	32,444	33,331	33,069
Cash Funds	101,914	113,478	141,966	142,025	141,730
Reappropriated Funds	5,494	5,634	5,896	6,402	6,326
Federal Funds	21,815	24,859	25,433	25,547	25,547

\*This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
S.B. 04-257 Amortization Equalization					
Disbursement	<u>3,169,436</u>	<u>3,705,042</u>	<u>4,276,535</u>	<u>4,645,016</u>	<u>4,632,287</u> *
General Fund	473,384	572,359	674,702	747,378	742,138
Cash Funds	2,141,826	2,508,284	2,950,793	3,189,819	3,183,931
Reappropriated Funds	102,945	107,304	122,583	143,449	141,848
Federal Funds	451,281	517,095	528,457	564,370	564,370
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>2,733,609</u>	<u>3,342,999</u>	<u>4,009,253</u>	<u>4,486,542</u>	<u>4,474,293</u> *
General Fund	404,868	514,883	632,533	721,899	716,838
Cash Funds	1,852,453	2,264,422	2,766,369	3,081,020	3,075,333
Reappropriated Funds	88,469	96,872	114,923	138,493	136,992
Federal Funds	387,819	466,822	495,428	545,130	545,130
Salary Survey					
General Fund	<u>0</u>	<u>2,364,281</u>	<u>2,878,038</u>	<u>1,153,648</u>	<u>1,153,648</u>
Cash Funds	0	308,185	454,846	185,225	185,225
Reappropriated Funds	0	1,919,674	1,984,856	897,944	897,944
Federal Funds	0	66,251	82,176	35,294	35,294
Federal Funds	0	70,171	356,160	35,185	35,185
Merit Pay					
General Fund	<u>0</u>	<u>1,527,049</u>	<u>1,030,883</u>	<u>945,138</u>	<u>945,138</u>
Cash Funds	0	254,746	175,507	180,081	180,081
Reappropriated Funds	0	1,173,674	699,752	712,925	712,925
Federal Funds	0	53,444	30,328	32,228	32,228
Federal Funds	0	45,185	125,296	19,904	19,904
Shift Differential					
General Fund	<u>31,242</u>	<u>31,242</u>	<u>29,155</u>	<u>42,291</u>	<u>42,291</u>
Cash Funds	0	0	0	0	0
Cash Funds	31,242	31,242	29,155	42,291	42,291

\*This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Workers' Compensation	<u>1,607,888</u>	<u>1,566,177</u>	<u>1,879,077</u>	<u>1,465,255</u>	<u>1,482,367</u>
General Fund	62,350	70,152	53,330	42,950	43,452
Cash Funds	1,497,832	1,470,317	1,814,534	1,414,359	1,430,876
Reappropriated Funds	8,348	94	8,980	7,752	7,843
Federal Funds	39,358	25,614	2,233	194	196
Operating Expenses	<u>650,701</u>	<u>473,467</u>	<u>1,246,674</u>	<u>1,246,674</u>	<u>1,246,674</u> *
Cash Funds	467,682	290,551	1,057,006	1,057,006	1,057,006
Reappropriated Funds	177,682	177,579	184,331	184,331	184,331
Federal Funds	5,337	5,337	5,337	5,337	5,337
Legal Services	<u>3,381,991</u>	<u>4,449,075</u>	<u>5,046,737</u>	<u>4,817,364</u>	<u>4,817,364</u>
General Fund	850,032	1,167,052	1,294,457	1,235,624	1,235,624
Cash Funds	2,473,115	3,213,097	3,634,397	3,469,214	3,469,214
Reappropriated Funds	8,938	43,851	51,683	49,334	49,334
Federal Funds	49,906	25,075	66,200	63,192	63,192
Purchase of Services from Computer Center	<u>5,222,353</u>	<u>5,986,663</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	318,313	458,489	0	0	0
Cash Funds	3,651,170	3,993,259	0	0	0
Reappropriated Funds	1,042,475	1,369,892	0	0	0
Federal Funds	210,395	165,023	0	0	0
Multiuse Network Payments	<u>2,274,071</u>	<u>2,206,025</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	334,341	302,137	0	0	0
Cash Funds	1,607,007	1,748,057	0	0	0
Reappropriated Funds	313,778	138,626	0	0	0
Federal Funds	18,945	17,205	0	0	0

\*This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Management and Administration of OIT	<u>290,806</u>	<u>273,645</u>	0	0	0
General Fund	41,187	35,113	0	0	0
Cash Funds	182,263	227,786	0	0	0
Reappropriated Funds	62,038	6,106	0	0	0
Federal Funds	5,318	4,640	0	0	0
Payment to Risk Management and Property Funds	<u>949,810</u>	<u>835,402</u>	<u>767,271</u>	<u>581,637</u>	<u>711,637</u>
General Fund	91,214	87,267	80,713	53,381	76,085
Cash Funds	830,795	720,247	662,823	513,487	614,081
Reappropriated Funds	15,872	16,403	13,431	8,416	12,124
Federal Funds	11,929	11,485	10,304	6,353	9,347
Vehicle Lease Payments	<u>2,860,362</u>	<u>3,089,942</u>	<u>3,916,789</u>	<u>3,916,377</u>	<u>3,823,123</u> *
General Fund	320,663	297,201	252,298	247,515	245,236
Cash Funds	2,493,765	2,732,523	3,576,478	3,556,294	3,465,199
Reappropriated Funds	0	6,727	22,491	54,610	54,610
Federal Funds	45,934	53,491	65,522	57,958	58,078
Information Technology Asset Maintenance	<u>35,647</u>	<u>62,500</u>	<u>263,159</u>	<u>263,159</u>	<u>263,159</u>
General Fund	0	31,628	31,628	31,628	31,628
Cash Funds	19,059	11,749	140,993	140,993	140,993
Reappropriated Funds	16,588	19,123	90,538	90,538	90,538
Federal Funds	0	0	0	0	0
Leased Space	<u>1,266,004</u>	<u>1,331,033</u>	<u>1,320,222</u>	<u>1,346,896</u>	<u>1,303,663</u> *
General Fund	531,230	532,215	568,930	574,079	574,079
Cash Funds	704,661	761,740	697,736	718,125	674,892
Reappropriated Funds	0	0	18,000	18,000	18,000
Federal Funds	30,113	37,078	35,556	36,692	36,692

\*This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Capitol Complex Leased Space	<u>865,372</u>	<u>1,174,622</u>	<u>972,920</u>	<u>1,508,340</u>	<u>1,381,111</u>
General Fund	216,033	277,908	205,939	319,271	292,340
Cash Funds	373,616	561,681	496,633	769,941	704,996
Reappropriated Funds	169,701	199,814	166,393	257,964	236,205
Federal Funds	106,022	135,219	103,955	161,164	147,570
Integrated Resource Services	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
General Fund	0	0	0	0	0
Reappropriated Funds	0	0	250,000	250,000	250,000
Communication Services Payments	<u>1,039,294</u>	<u>1,157,811</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	1,039,294	1,157,811	0	0	0
CORE Operations	<u>1,356,244</u>	<u>1,351,127</u>	<u>877,953</u>	<u>1,723,832</u>	<u>1,723,832</u> *
General Fund	134,326	130,479	235,429	253,791	253,791
Cash Funds	1,148,689	1,113,765	558,383	1,257,221	1,257,221
Reappropriated Funds	68,112	67,437	23,453	73,908	73,908
Federal Funds	5,117	39,446	60,688	138,912	138,912
Information Technology Security	<u>0</u>	<u>99,835</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	7,026	0	0	0
Cash Funds	0	72,362	0	0	0
Reappropriated Funds	0	18,499	0	0	0
Federal Funds	0	1,948	0	0	0
Species Conservation Trust Fund	<u>27,762</u>	<u>25,080</u>	<u>6,500,000</u>	<u>0</u>	<u>0</u>
Cash Funds	27,762	25,080	6,500,000	0	0

\*This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Payments to OIT	0	0	<u>8,346,657</u>	<u>6,797,811</u>	<u>6,797,811</u>
General Fund	0	0	836,435	552,561	552,561
Cash Funds	0	0	6,393,110	5,224,355	5,224,355
Reappropriated Funds	0	0	992,423	947,102	947,102
Federal Funds	0	0	124,689	73,793	73,793
<b>SUBTOTAL - (A) Administration</b>	41,406,189	49,716,485	58,863,450	56,409,863	51,789,249
<b>FTE</b>	<u>38.2</u>	<u>39.1</u>	<u>41.3</u>	<u>41.3</u>	<u>41.3</u>
General Fund	4,767,659	5,897,012	6,714,484	6,381,652	6,370,848
Cash Funds	26,832,818	33,173,833	41,759,751	38,469,643	34,565,626
Reappropriated Funds	6,657,298	7,423,704	7,055,636	7,627,228	7,599,155
Federal Funds	3,148,414	3,221,936	3,333,579	3,931,340	3,253,620

**(B) Special Programs**

Colorado Avalanche Information Center	<u>439,181</u>	<u>647,478</u>	<u>943,002</u>	<u>1,048,446</u>	<u>1,048,446</u> *
FTE	3.8	8.3	10.2	10.9	10.9
General Fund	0	0	0	0	0
Cash Funds	182,975	277,284	422,804	447,271	439,672
Reappropriated Funds	246,963	372,189	501,227	582,204	589,803
Federal Funds	9,243	(1,995)	18,971	18,971	18,971
Indirect Cost Assessment	<u>0</u>	<u>34,564</u>	<u>11,840</u>	<u>25,620</u>	<u>25,620</u>
Cash Funds	0	34,564	11,334	25,620	25,620
Federal Funds	0	0	506	0	0

\*This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
<b>SUBTOTAL - (B) Special Programs</b>	440,994	682,042	954,842	1,074,066	1,074,066
<i>FTE</i>	<u>3.8</u>	<u>8.3</u>	<u>10.2</u>	<u>10.9</u>	<u>10.9</u>
General Fund	0	0	0	0	0
Cash Funds	182,975	311,848	434,138	472,891	465,292
Reappropriated Funds	246,963	372,189	501,227	582,204	589,803
Federal Funds	11,056	(1,995)	19,477	18,971	18,971
<b>TOTAL - (1) Executive Director's Office</b>	41,847,183	50,398,527	59,818,292	57,483,929	52,863,315
<i>FTE</i>	<u>42.0</u>	<u>47.4</u>	<u>51.5</u>	<u>52.2</u>	<u>52.2</u>
General Fund	4,767,659	5,897,012	6,714,484	6,381,652	6,370,848
Cash Funds	27,015,793	33,485,681	42,193,889	38,942,534	35,030,918
Reappropriated Funds	6,904,261	7,795,893	7,556,863	8,209,432	8,188,958
Federal Funds	3,159,470	3,219,941	3,353,056	3,950,311	3,272,591

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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**(2) DIVISION OF RECLAMATION, MINING, AND SAFETY**

Primary Functions: Provides regulation and enforcement related to the development and reclamation of mining sites. Primary sources of cash funds are fees on metal and aggregate mining operations and the severance tax.

**(A) Coal Land Reclamation**

Program Costs	<u>2,126,557</u>	<u>2,126,557</u>	<u>2,181,654</u>	<u>2,219,915</u>	<u>2,219,915</u>
FTE	19.3	19.6	22.0	22.0	22.0
General Fund	0	0	0	0	0
Cash Funds	449,087	449,087	467,606	475,589	475,589
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,677,470	1,677,470	1,714,048	1,744,326	1,744,326
Indirect Cost Assessment	<u>110,423</u>	<u>122,636</u>	<u>133,005</u>	<u>136,099</u>	<u>136,099</u>
General Fund	0	0	0	0	0
Cash Funds	28,181	30,480	27,931	28,581	28,581
Federal Funds	82,242	92,156	105,074	107,518	107,518
<b>SUBTOTAL - (A) Coal Land Reclamation</b>	<b>2,236,980</b>	<b>2,249,193</b>	<b>2,314,659</b>	<b>2,356,014</b>	<b>2,356,014</b>
<i>FTE</i>	<u>19.3</u>	<u>19.6</u>	<u>22.0</u>	<u>22.0</u>	<u>22.0</u>
General Fund	0	0	0	0	0
Cash Funds	477,268	479,567	495,537	504,170	504,170
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,759,712	1,769,626	1,819,122	1,851,844	1,851,844

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
<b>(B) Inactive Mines</b>					
Program Costs	<u>1,256,438</u>	<u>1,330,914</u>	<u>1,686,695</u>	<u>1,739,624</u>	<u>1,839,474</u> *
FTE	9.1	7.5	16.4	16.1	16.3
General Fund	0	0	0	0	0
Cash Funds	362,469	582,012	519,247	523,757	623,607
Federal Funds	893,969	748,902	1,167,448	1,215,867	1,215,867
Mine Site Reclamation	<u>306,656</u>	<u>371,130</u>	<u>411,665</u>	<u>411,665</u>	<u>411,665</u>
FTE	0.0	0.5	1.2	1.2	1.2
Cash Funds	306,656	371,130	381,665	381,665	381,665
Reappropriated Funds	0	0	30,000	30,000	30,000
Reclamation of Forfeited Mine Sites	<u>267,055</u>	<u>247,499</u>	<u>171,000</u>	<u>121,162</u>	<u>121,162</u> *
FTE	0.0	0.1	0.0	0.3	0.3
Cash Funds	267,055	247,499	171,000	121,162	121,162
Abandoned Mine Safety	<u>99,850</u>	<u>0</u>	<u>99,850</u>	<u>99,850</u>	<u>0</u>
FTE	0.1	0.0	0.2	0.2	0.0
Cash Funds	99,850	0	99,850	99,850	0
Indirect Cost Assessment	<u>109,443</u>	<u>163,568</u>	<u>179,219</u>	<u>166,972</u>	<u>166,972</u>
Cash Funds	14,633	59,504	16,733	23,343	23,343
Federal Funds	94,810	104,064	162,486	143,629	143,629

\*This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Request</b>	<b>FY 2015-16 Recommendation</b>
<b>SUBTOTAL - (B) Inactive Mines</b>	2,039,442	2,113,111	2,548,429	2,539,273	2,539,273
<i>FTE</i>	<u>9.2</u>	<u>8.1</u>	<u>17.8</u>	<u>17.8</u>	<u>17.8</u>
General Fund	0	0	0	0	0
Cash Funds	1,050,663	1,260,145	1,188,495	1,149,777	1,149,777
Reappropriated Funds	0	0	30,000	30,000	30,000
Federal Funds	988,779	852,966	1,329,934	1,359,496	1,359,496

**(C) Minerals**

Program Costs	<u>2,157,524</u>	<u>2,201,071</u>	<u>2,179,273</u>	<u>2,219,109</u>	<u>2,219,109</u>
<i>FTE</i>	<u>20.3</u>	<u>19.5</u>	<u>24.1</u>	<u>24.1</u>	<u>24.1</u>
General Fund	0	0	0	0	0
Cash Funds	2,157,524	2,201,071	2,179,273	2,219,109	2,219,109
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Indirect Cost Assessment	<u>127,188</u>	<u>144,147</u>	<u>124,971</u>	<u>132,003</u>	<u>132,003</u>
Cash Funds	127,188	144,147	124,971	132,003	132,003

<b>SUBTOTAL - (C) Minerals</b>	2,284,712	2,345,218	2,304,244	2,351,112	2,351,112
<i>FTE</i>	<u>20.3</u>	<u>19.5</u>	<u>24.1</u>	<u>24.1</u>	<u>24.1</u>
General Fund	0	0	0	0	0
Cash Funds	2,284,712	2,345,218	2,304,244	2,351,112	2,351,112
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
<b>(D) Mines Program</b>					
Colorado and Federal Mine Safety Program	<u>523,441</u>	<u>491,021</u>	<u>524,761</u>	<u>535,850</u>	<u>535,850</u>
FTE	4.1	4.0	4.0	4.0	4.0
General Fund	0	0	0	0	0
Cash Funds	324,324	324,324	335,116	346,205	346,205
Reappropriated Funds	0	0	0	0	0
Federal Funds	199,117	166,697	189,645	189,645	189,645
Blaster Certification Program	<u>108,353</u>	<u>108,353</u>	<u>109,462</u>	<u>112,052</u>	<u>112,052</u>
FTE	0.9	1.2	1.0	1.0	1.0
Cash Funds	22,606	22,606	22,839	23,381	23,381
Federal Funds	85,747	85,747	86,623	88,671	88,671
Indirect Cost Assessment	<u>25,148</u>	<u>23,072</u>	<u>24,581</u>	<u>25,541</u>	<u>25,541</u>
Cash Funds	16,682	16,180	16,265	18,200	18,200
Federal Funds	8,466	6,892	8,316	7,341	7,341
<b>SUBTOTAL - (D) Mines Program</b>	<b>656,942</b>	<b>622,446</b>	<b>658,804</b>	<b>673,443</b>	<b>673,443</b>
FTE	<u>5.0</u>	<u>5.2</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
General Fund	0	0	0	0	0
Cash Funds	363,612	363,110	374,220	387,786	387,786
Reappropriated Funds	0	0	0	0	0
Federal Funds	293,330	259,336	284,584	285,657	285,657

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
<b>(E) Emergency Response Costs</b>					
Emergency Response Costs	<u>24,907</u>	<u>25,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
General Fund	0	0	0	0	0
Cash Funds	24,907	25,000	100,000	100,000	100,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>SUBTOTAL - (E) Emergency Response Costs</b>	24,907	25,000	100,000	100,000	100,000
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	24,907	25,000	100,000	100,000	100,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>TOTAL - (2) Division of Reclamation, Mining, and Safety</b>	7,242,983	7,354,968	7,926,136	8,019,842	8,019,842
<i>FTE</i>	<u>53.8</u>	<u>52.4</u>	<u>68.9</u>	<u>68.9</u>	<u>68.9</u>
General Fund	0	0	0	0	0
Cash Funds	4,201,162	4,473,040	4,462,496	4,492,845	4,492,845
Reappropriated Funds	0	0	30,000	30,000	30,000
Federal Funds	3,041,821	2,881,928	3,433,640	3,496,997	3,496,997

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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**(3) OIL AND GAS CONSERVATION COMMISSION**

Primary functions: Promoting and regulating responsible development of oil and gas natural resources. Cash funds are from the Oil and Gas Conservation and Environmental Response Fund and the severance tax.

Program Costs	<u>6,378,943</u>	<u>8,015,526</u>	<u>8,414,108</u>	<u>8,942,482</u>	<u>8,870,209</u> *
FTE	70.2	80.4	94.3	96.3	95.3
General Fund	0	0	0	0	0
Cash Funds	6,378,943	8,015,526	8,414,108	8,942,482	8,870,209
Underground Injection Program	<u>96,559</u>	<u>96,559</u>	<u>96,559</u>	<u>96,559</u>	<u>96,559</u>
FTE	2.0	2.0	2.0	2.0	2.0
Federal Funds	96,559	96,559	96,559	96,559	96,559
Plugging and Reclaiming Abandoned Wells	<u>350,040</u>	<u>429,031</u>	<u>445,000</u>	<u>445,000</u>	<u>445,000</u>
Cash Funds	350,040	429,031	445,000	445,000	445,000
Environmental Assistance and Complaint Resolution	<u>220,155</u>	<u>281,556</u>	<u>312,033</u>	<u>312,033</u>	<u>312,033</u>
Cash Funds	220,155	281,556	312,033	312,033	312,033
Emergency Response	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Cash Funds	0	0	1,000,000	1,000,000	1,000,000
Special Environmental Protection and Mitigation Studies	<u>196,165</u>	<u>162,948</u>	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>
Cash Funds	196,165	162,948	325,000	325,000	325,000

\*This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Indirect Cost Assessment	<u>404,024</u>	<u>445,953</u>	<u>410,260</u>	<u>519,853</u>	<u>519,853</u>
General Fund	0	0	0	0	0
Cash Funds	393,108	429,764	405,234	508,896	508,896
Reappropriated Funds	0	0	0	0	0
Federal Funds	10,916	16,189	5,026	10,957	10,957
<b>TOTAL - (3) Oil and Gas Conservation Commission</b>	7,645,886	9,431,573	11,002,960	11,640,927	11,568,654
<i>FTE</i>	<u>72.2</u>	<u>82.4</u>	<u>96.3</u>	<u>98.3</u>	<u>97.3</u>
General Fund	0	0	0	0	0
Cash Funds	7,538,411	9,318,825	10,901,375	11,533,411	11,461,138
Reappropriated Funds	0	0	0	0	0
Federal Funds	107,475	112,748	101,585	107,516	107,516

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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**(4) STATE BOARD OF LAND COMMISSIONERS**

Primary Functions: Manages around 2.8 million surface acres and 4.0 million mineral acres of state trust lands for the benefit of 8 public trusts, the largest of which is the School Trust (96% of holdings). Cash funds are from the Trust Administration Fund. Reappropriated funds are from the Division of Parks and Wildlife.

Program Costs	<u>3,790,477</u>	<u>4,130,917</u>	<u>4,222,710</u>	<u>4,328,760</u>	<u>4,328,760</u>
FTE	37.0	37.0	40.0	40.0	40.0
General Fund	0	0	0	0	0
Cash Funds	3,790,477	4,130,917	4,222,710	4,328,760	4,328,760
Federal Funds	0	0	0	0	0
 Public Access Program Damage and Enhancement					
Costs	<u>189,274</u>	<u>142,956</u>	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>
Reappropriated Funds	189,274	142,956	225,000	225,000	225,000
 Asset Management System Upgrade					
Cash Funds	<u>0</u>	<u>1,182,350</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Indirect Cost Assessment					
Cash Funds	<u>202,527</u>	<u>224,959</u>	<u>216,768</u>	<u>248,149</u>	<u>248,149</u>

<b>TOTAL - (4) State Board of Land Commissioners</b>	4,182,278	5,681,182	4,664,478	4,801,909	4,801,909
FTE	<u>37.0</u>	<u>37.0</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>
General Fund	0	0	0	0	0
Cash Funds	3,993,004	5,538,226	4,439,478	4,576,909	4,576,909
Reappropriated Funds	189,274	142,956	225,000	225,000	225,000
Federal Funds	0	0	0	0	0

**JBC Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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**(5) DIVISION OF PARKS AND WILDLIFE**

This division manages Colorado's 43 State Parks, the State's wildlife resources, and various special purpose programs. Primary funding for the Division comes from parks passes and fees, hunting and fishing licenses, Great Outdoors Colorado Board grants, federal funds, severance tax funds, and various other cash funds.

**(A) Colorado Parks and Wildlife Operations**

State Park Operations	<u>26,682,604</u>	<u>29,029,767</u>	<u>27,947,022</u>	<u>28,679,044</u>	<u>28,679,044</u>
FTE	245.7	238.6	255.1	255.1	255.1
General Fund	0	0	0	0	0
Cash Funds	26,058,964	27,940,310	27,505,281	28,234,238	28,234,238
Reappropriated Funds	0	0	0	0	0
Federal Funds	623,640	1,089,457	441,741	444,806	444,806
 Wildlife Operations	 <u>73,561,014</u>	 <u>72,352,021</u>	 <u>79,233,596</u>	 <u>80,797,076</u>	 <u>80,797,076</u>
FTE	632.9	631.0	622.6	622.6	622.6
General Fund	0	471,773	0	0	0
Cash Funds	58,426,450	56,763,117	60,396,281	61,622,393	61,622,393
Federal Funds	15,134,564	15,117,131	18,837,315	19,174,683	19,174,683

<b>SUBTOTAL - (A) Colorado Parks and Wildlife</b>					
<b>Operations</b>	100,243,618	101,381,788	107,180,618	109,476,120	109,476,120
FTE	<u>878.6</u>	<u>869.6</u>	<u>877.7</u>	<u>877.7</u>	<u>877.7</u>
General Fund	0	471,773	0	0	0
Cash Funds	84,485,414	84,703,427	87,901,562	89,856,631	89,856,631
Reappropriated Funds	0	0	0	0	0
Federal Funds	15,758,204	16,206,588	19,279,056	19,619,489	19,619,489

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
<b>(B) Special Purpose</b>					
Snowmobile Program	<u>789,075</u>	<u>846,711</u>	<u>1,000,924</u>	<u>1,005,412</u>	<u>1,005,412</u>
FTE	1.1	1.3	1.3	1.3	1.3
Cash Funds	789,075	846,711	1,000,924	1,005,412	1,005,412
River Outfitters Regulation	<u>100,114</u>	<u>98,200</u>	<u>143,996</u>	<u>145,991</u>	<u>145,991</u>
FTE	0.5	0.4	0.5	0.5	0.5
Cash Funds	100,114	98,200	143,996	145,991	145,991
Off-highway Vehicle Program	<u>490,779</u>	<u>472,065</u>	<u>537,801</u>	<u>545,280</u>	<u>545,280</u>
FTE	3.5	3.2	3.0	3.0	3.0
Cash Funds	490,779	472,065	537,801	545,280	545,280
Off-highway Vehicle Grants	<u>3,139,100</u>	<u>3,888,298</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>
Cash Funds	3,139,100	3,888,298	4,000,000	4,000,000	4,000,000
Federal Grants	<u>730,436</u>	<u>1,059,402</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
Federal Funds	730,436	1,059,402	750,000	750,000	750,000
S.B. 03-290 Enterprise Fund	<u>256,041</u>	<u>178,753</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Cash Funds	256,041	178,753	200,000	200,000	200,000
Information Technology	<u>2,080,902</u>	<u>2,212,574</u>	<u>2,881,895</u>	<u>2,881,895</u>	<u>2,881,895</u>
Cash Funds	2,080,902	2,212,574	2,881,895	2,881,895	2,881,895
Natural Resource Protection	<u>602,327</u>	<u>0</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Cash Funds	602,327	0	150,000	150,000	150,000
Federal Funds	0	0	450,000	450,000	450,000

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Request</b>	<b>FY 2015-16 Recommendation</b>
Trails Grants	<u>1,741,021</u>	<u>2,510,581</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>
Cash Funds	516,646	1,437,934	1,800,000	1,800,000	1,800,000
Federal Funds	1,224,375	1,072,647	400,000	400,000	400,000
S.B. 08-226 Aquatic Nuisance Species	<u>4,050,783</u>	<u>4,322,261</u>	<u>3,866,639</u>	<u>3,879,355</u>	<u>3,879,355</u>
FTE	4.0	5.9	4.0	4.0	4.0
Cash Funds	2,833,032	4,200,662	3,866,639	3,879,355	3,879,355
Federal Funds	1,217,751	121,599	0	0	0
Game Damage Claims and Prevention	<u>1,209,936</u>	<u>1,025,038</u>	<u>1,282,500</u>	<u>1,282,500</u>	<u>1,282,500</u>
Cash Funds	1,209,936	1,025,038	1,282,500	1,282,500	1,282,500
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	296,027	296,027	296,027	296,027	296,027
Habitat Partnership Program	<u>1,707,530</u>	<u>2,119,123</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
Cash Funds	1,707,530	2,119,123	2,500,000	2,500,000	2,500,000
Grants and Habitat Partnerships	<u>676,071</u>	<u>513,474</u>	<u>1,625,000</u>	<u>1,625,000</u>	<u>1,625,000</u>
Cash Funds	462,946	322,542	1,625,000	1,625,000	1,625,000
Federal Funds	213,125	190,932	0	0	0
Asset Maintenance and Repairs	<u>2,751,913</u>	<u>3,162,085</u>	<u>2,606,880</u>	<u>2,606,880</u>	<u>2,606,880</u>
Cash Funds	2,751,913	3,162,085	2,606,880	2,606,880	2,606,880
Indirect Cost Assessment	<u>5,308,490</u>	<u>5,640,070</u>	<u>5,136,678</u>	<u>5,325,240</u>	<u>5,325,240</u>
Cash Funds	4,448,999	4,950,219	4,416,577	4,677,163	4,677,163
Federal Funds	859,491	689,851	720,101	648,077	648,077

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Request</b>	<b>FY 2015-16 Recommendation</b>
<b>SUBTOTAL - (B) Special Purpose</b>	25,930,545	28,344,662	29,628,340	29,843,580	29,843,580
<i>FTE</i>	<u>9.1</u>	<u>12.1</u>	<u>8.8</u>	<u>8.8</u>	<u>8.8</u>
Cash Funds	21,685,367	25,210,231	27,308,239	27,595,503	27,595,503
Federal Funds	4,245,178	3,134,431	2,320,101	2,248,077	2,248,077
<b>TOTAL - (5) Division of Parks and Wildlife</b>	126,174,163	129,726,450	136,808,958	139,319,700	139,319,700
<i>FTE</i>	<u>887.7</u>	<u>881.7</u>	<u>886.5</u>	<u>886.5</u>	<u>886.5</u>
General Fund	0	471,773	0	0	0
Cash Funds	106,170,781	109,913,658	115,209,801	117,452,134	117,452,134
Reappropriated Funds	0	0	0	0	0
Federal Funds	20,003,382	19,341,019	21,599,157	21,867,566	21,867,566

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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**(6) COLORADO WATER CONSERVATION BOARD**

This division is responsible for water conservation, development, protection, planning, and management. The primary cash fund source is the Colorado Water Conservation Board Construction Fund.

**(A) Administration**

Personal Services	<u>2,483,330</u>	<u>2,598,915</u>	<u>2,985,925</u>	<u>3,076,632</u>	<u>3,076,632</u>
FTE	26.8	27.2	30.0	30.0	30.0
General Fund	0	0	0	0	0
Cash Funds	2,187,303	2,302,888	2,694,338	2,785,045	2,785,045
Reappropriated Funds	296,027	296,027	291,587	291,587	291,587
 Operating Expenses	 <u>472,046</u>	 <u>467,950</u>	 <u>472,894</u>	 <u>472,894</u>	 <u>472,894</u>
Cash Funds	472,046	467,950	472,894	472,894	472,894
 River Decision Support Systems	 <u>443,684</u>	 <u>394,781</u>	 <u>464,075</u>	 <u>474,511</u>	 <u>474,511</u>
FTE	4.0	3.0	4.0	4.0	4.0
Cash Funds	443,684	394,781	464,075	474,511	474,511
 <b>SUBTOTAL - (A) Administration</b>	 <b>3,399,060</b>	 <b>3,461,646</b>	 <b>3,922,894</b>	 <b>4,024,037</b>	 <b>4,024,037</b>
<b>FTE</b>	<b><u>30.8</u></b>	<b><u>30.2</u></b>	<b><u>34.0</u></b>	<b><u>34.0</u></b>	<b><u>34.0</u></b>
General Fund	0	0	0	0	0
Cash Funds	3,103,033	3,165,619	3,631,307	3,732,450	3,732,450
Reappropriated Funds	296,027	296,027	291,587	291,587	291,587

**(B) Special Purpose**

Intrastate Water Management and Development	<u>335,717</u>	<u>419,686</u>	<u>470,464</u>	<u>470,464</u>	<u>470,464</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	335,717	419,686	470,464	470,464	470,464

***JBC Staff Staff Figure Setting - FY 2015-16***  
***Staff Working Document - Does Not Represent Committee Decision***

	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Request</b>	<b>FY 2015-16 Recommendation</b>
Federal Emergency Management Assistance	<u>124,840</u>	<u>144,559</u>	<u>149,019</u>	<u>153,373</u>	<u>153,373</u>
FTE	2.0	2.0	2.0	2.0	2.0
Cash Funds	0	0	13,732	13,732	13,732
Federal Funds	124,840	144,559	135,287	139,641	139,641
Weather Modification	<u>9,361</u>	<u>13,972</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Cash Funds	9,361	13,972	25,000	25,000	25,000
Water Conservation Program	<u>145,346</u>	<u>251,453</u>	<u>297,615</u>	<u>304,185</u>	<u>304,185</u>
FTE	2.1	3.5	4.0	4.0	4.0
Cash Funds	145,346	251,453	297,615	304,185	304,185
Water Efficiency Grant Program	<u>747,075</u>	<u>413,069</u>	<u>598,788</u>	<u>598,788</u>	<u>598,788</u>
FTE	1.0	1.0	1.0	1.0	1.0
Cash Funds	747,075	413,069	598,788	598,788	598,788
Severance Tax Fund	<u>1,267,157</u>	<u>1,264,801</u>	<u>1,275,500</u>	<u>1,275,500</u>	<u>1,275,500</u>
Cash Funds	1,267,157	1,264,801	1,275,500	1,275,500	1,275,500
Interbasin Compacts	<u>853,911</u>	<u>938,298</u>	<u>1,141,167</u>	<u>1,147,968</u>	<u>1,147,968</u>
FTE	4.0	3.7	3.7	3.7	3.7
Cash Funds	853,911	938,298	1,141,167	1,147,968	1,147,968
Platte River Basin Cooperative Agreement	<u>217,953</u>	<u>192,533</u>	<u>235,959</u>	<u>239,762</u>	<u>239,762</u>
FTE	1.0	1.0	1.0	1.0	1.0
Cash Funds	217,953	192,533	235,959	239,762	239,762
S.B. 02-87 Colorado Watershed Protection Fund	<u>121,764</u>	<u>67,625</u>	<u>119,942</u>	<u>119,942</u>	<u>119,942</u>
Cash Funds	121,764	67,625	119,942	119,942	119,942

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Water Construction Fund Bill	<u>27,975,000</u>	<u>32,040,000</u>	<u>5,050,000</u>	<u>0</u>	<u>0</u>
Cash Funds	27,975,000	32,040,000	5,050,000	0	0
H.B. 12-1278 South Platte Alluvial Aquifer Study	<u>390,117</u>	<u>395,293</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	390,117	395,293	0	0	0
Indirect Cost Assessment	<u>540,294</u>	<u>542,289</u>	<u>439,914</u>	<u>489,283</u>	<u>489,283</u>
Cash Funds	514,757	491,158	408,801	448,704	448,704
Federal Funds	25,537	51,131	31,113	40,579	40,579
<b>SUBTOTAL - (B) Special Purpose</b>	<b>32,728,535</b>	<b>36,683,578</b>	<b>9,803,368</b>	<b>4,824,265</b>	<b>4,824,265</b>
<i>FTE</i>	<u>10.1</u>	<u>11.2</u>	<u>11.7</u>	<u>11.7</u>	<u>11.7</u>
General Fund	0	0	0	0	0
Cash Funds	32,578,158	36,487,888	9,636,968	4,644,045	4,644,045
Federal Funds	150,377	195,690	166,400	180,220	180,220
<b>TOTAL - (6) Colorado Water Conservation Board</b>	<b>36,127,595</b>	<b>40,145,224</b>	<b>13,726,262</b>	<b>8,848,302</b>	<b>8,848,302</b>
<i>FTE</i>	<u>40.9</u>	<u>41.4</u>	<u>45.7</u>	<u>45.7</u>	<u>45.7</u>
General Fund	0	0	0	0	0
Cash Funds	35,681,191	39,653,507	13,268,275	8,376,495	8,376,495
Reappropriated Funds	296,027	296,027	291,587	291,587	291,587
Federal Funds	150,377	195,690	166,400	180,220	180,220

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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**(7) WATER RESOURCES DIVISION**

This division is responsible for the supervision and control of water resources in the State. The division is funded primarily by the General Fund but also includes various cash funds deposited in the Water Resources Cash Fund, CWCB Construction funds, well inspection and satellite monitoring system funds, as well as some federal funds.

**(A) Division Operations**

Water Administration	<u>0</u>	<u>18,944,306</u>	<u>20,041,073</u>	<u>20,793,870</u>	<u>20,793,870</u> *
FTE	0.0	234.8	248.8	251.5	251.5
General Fund	0	18,534,732	19,399,877	20,152,674	20,152,674
Cash Funds	0	409,574	641,196	641,196	641,196
Reappropriated Funds	0	0	0	0	0
Well Inspection	<u>0</u>	<u>190,045</u>	<u>371,956</u>	<u>379,038</u>	<u>379,038</u>
FTE	0.0	2.0	3.0	3.0	3.0
Cash Funds	0	190,045	371,956	379,038	379,038
Satellite Monitoring System	<u>396,873</u>	<u>497,506</u>	<u>499,857</u>	<u>505,028</u>	<u>505,028</u>
FTE	1.1	1.3	2.0	2.0	2.0
General Fund	194,968	194,967	194,968	194,968	194,968
Cash Funds	201,905	302,539	304,889	310,060	310,060

\*This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Request</b>	<b>FY 2015-16 Recommendation</b>
Federal Grants	<u>271,018</u>	<u>258,308</u>	<u>194,260</u>	<u>194,260</u>	<u>194,260</u>
FTE	0.1	0.4	0.0	0.0	0.0
Federal Funds	271,018	258,308	194,260	194,260	194,260
River Decision Support Systems	<u>206,232</u>	<u>206,232</u>	<u>206,232</u>	<u>211,208</u>	<u>211,208</u>
FTE	2.3	2.0	2.0	2.0	2.0
Cash Funds	206,232	206,232	206,232	211,208	211,208
<b>SUBTOTAL - (A) Division Operations</b>	<b>874,123</b>	<b>20,096,397</b>	<b>21,313,378</b>	<b>22,083,404</b>	<b>22,083,404</b>
<b>FTE</b>	<b><u>3.5</u></b>	<b><u>240.5</u></b>	<b><u>255.8</u></b>	<b><u>258.5</u></b>	<b><u>258.5</u></b>
General Fund	194,968	18,729,699	19,594,845	20,347,642	20,347,642
Cash Funds	408,137	1,108,390	1,524,273	1,541,502	1,541,502
Reappropriated Funds	0	0	0	0	0
Federal Funds	271,018	258,308	194,260	194,260	194,260

**(B) Special Purpose**

Dam Emergency Repair	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Cash Funds	0	50,000	50,000	50,000	50,000
H.B. 03-1334 Temporary Water Supply					
Agreements	<u>0</u>	<u>0</u>	<u>61,589</u>	<u>61,589</u>	<u>61,589</u>
Cash Funds	0	0	61,589	61,589	61,589
Indirect Cost Assessment	<u>27,682</u>	<u>36,285</u>	<u>50,763</u>	<u>74,677</u>	<u>74,677</u>
Cash Funds	25,120	25,379	45,966	66,494	66,494
Federal Funds	2,562	10,906	4,797	8,183	8,183

**JBC Staff Staff Figure Setting - FY 2015-16**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Request</b>	<b>FY 2015-16 Recommendation</b>
CWCB Projects Bill	0	340,744	330,000	0	0
Cash Funds	0	340,744	330,000	0	0
<b>SUBTOTAL - (B) Special Purpose</b>	27,682	427,029	492,352	186,266	186,266
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	25,120	416,123	487,555	178,083	178,083
Federal Funds	2,562	10,906	4,797	8,183	8,183
<b>TOTAL - (7) Water Resources Division</b>	20,529,528	20,523,426	21,805,730	22,269,670	22,269,670
<i>FTE</i>	<u>240.2</u>	<u>240.5</u>	<u>255.8</u>	<u>258.5</u>	<u>258.5</u>
General Fund	18,926,608	18,729,699	19,594,845	20,347,642	20,347,642
Cash Funds	1,328,273	1,524,513	2,011,828	1,719,585	1,719,585
Reappropriated Funds	0	0	0	0	0
Federal Funds	274,647	269,214	199,057	202,443	202,443
<b>TOTAL - Department of Natural Resources</b>	245,463,632	263,261,350	255,752,816	252,384,279	247,691,392
<i>FTE</i>	<u>1,388.1</u>	<u>1,382.8</u>	<u>1,444.7</u>	<u>1,450.1</u>	<u>1,449.1</u>
General Fund	23,694,267	25,098,484	26,309,329	26,729,294	26,718,490
Cash Funds	187,255,753	203,907,450	192,487,142	187,093,913	183,110,024
Reappropriated Funds	7,650,444	8,234,876	8,103,450	8,756,019	8,735,545
Federal Funds	26,863,168	26,020,540	28,852,895	29,805,053	29,127,333

# MEMORANDUM

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**TO:** Joint Budget Committee

**FROM:** Carly Jacobs, JBC Staff

**SUBJECT:** CWWCA Request to Increase Fees to Fund Additional Well Inspectors

**DATE:** March 2, 2015

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The Colorado Water Well Contractors Association (CWWCA) submitted a letter to the Joint Budget Committee on February 23, 2015 requesting that well permit application fees be increased by \$50 for the purpose of funding two well inspectors (2.0 FTE) for the Well Inspection (WI) Program in the Division of Water Resources (DWR). This request is independent of the FY 2015-16 budget request from the Department of Natural Resources.

### ***Staff Recommendation***

Given the potential TABOR impact, issues with the fee amount and fee structure, and the Department's input on current funding and workload for the WI Program, ***staff does not recommend*** the Committee approve or act on the request at this time.

### ***Background***

Senate Bill 03-045 established the Well Inspection Program to protect groundwater resources and public health through the enforcement of well construction and pump installation requirements. The Program is responsible for: setting construction regulations and licensing standards; issuing contractor licenses; and inspecting well construction, repair, plugging, sealing, and abandonment. There are currently 3.0 FTE in use by the program, including two field inspectors and one chief. Well inspectors are directed in statute to spend the majority of their time on inspections, but are also tasked with complaint investigation and outreach (Section 37-91-113 (3), C.R.S.). Inspections are conducted during the well construction process and are unannounced to promote compliance. The DWR estimates that the WI Program will complete 1,260 inspections and inspect 21.0 percent of completed wells in FY 2015-16.

Pursuant to Section 37-91-113 (1), C.R.S., the WI Program is cash funded through well permit application fees credited to the Well Inspection Cash Fund, as discussed in the following section. The DWR has an appropriation of \$371,956 cash funds with the 3.0 occupied FTE reflected in the Well Inspection Long Bill line item. The program also has an additional 2.0 FTE located in the Water Administration line item, which are being held vacant due to long-term revenue shortfalls. Department projections for FY 2015-16 indicate that fee revenue for the Well Inspection Cash Fund will total \$256,000, which will be sufficient to fund the 3.0 FTE in use by the program.

### ***Current Fee Structure and Program Revenue***

Well permit application fees are set in statute at \$100 per application for most types of wells (Article 90 of Title 37, C.R.S.). Pursuant to Section 37-80-111.5, C.R.S., \$40 of each fee collected is credited to the Well Inspection Cash Fund for the purpose of funding the WI Program. However, fee revenue has been lower than the available spending authority, averaging

\$250,000 over the last three years. The revenue shortfall is directly related to decreases in new well construction since the program was instituted in 2004. This decline is driven by two major factors:

- 1) A separate bill during the 2003 legislative session increased well permit application fees from \$60 to \$440 (S.B. 03-181), which caused a sharp increase in the number of applications received just before the higher fees went into effect. As a result, the volume of permits dropped dramatically after the fee increase and did not recover, even after the fee reverted back to \$100 after the sunset date in FY 2006-07.
- 2) Economic conditions have also impacted program inputs and workload measures. The downturn between 2008 and 2012 slowed new well construction, which decreased the number of well application permits and the associated revenue. By FY 2011-12, the number of new wells had fallen to a low of 2,735. Department data shows there has been a slight rebound in the number of new wells per year as the economy has started to recover, but the projected number of well permit applications for FY 2015-16 is still 50.2 percent less than when the program started.

The CWWCA request would increase the portion of each fee allocated to the WI Program to \$90 to increase revenue enough to fill the vacant FTE. If the increase were approved, the Department has sufficient spending authority distributed across the Water Administration and Well Inspection line items to accommodate the additional revenue.

### *Analysis*

#### TABOR Impact and Required Statutory Change

Raising well permit application fees by \$50 represents a 50.0 percent increase over current fees, and staff estimates that the increase would generate \$250,000 in additional cash funds revenue per year. Any increase in cash funds from fees in FY 2015-16 will impact the projected TABOR refunds. Additionally, the JBC would have to sponsor legislation to make any changes to well inspection fees in statute. To avoid the various issues with increasing fees, one alternative would be to supplement available fee revenue with General Fund. While groundwater quality is broadly important and well construction occurs statewide, the WI Program most directly benefits a specific industry that is already paying a fee for services provided. Considering other demands on General Fund moneys, staff does not recommend approving a General Fund appropriation for the program at this time.

#### Fee Amount and Fee Structure

To fund two additional well inspectors, the DWR estimates it would require approximately \$160,000 for salaries, benefits, vehicles, equipment, and per diem. Assuming the WI Program continues to receive approximately 5,000 well permit applications per year, the requested fee increase would generate 56.3 percent more revenue than actually required to fund the additional 2.0 FTE.

The request also raises a larger issue regarding the current fee structure. The CWWCA points out that there is substantial variation in the design, cost, and economic value of wells, ranging from shallow agricultural wells to deep large-diameter wells for municipal drinking water or industrial application. However, all wells are currently assessed the same fee, regardless of size or technical complexity, and fees are not indexed to adjust for any increases in personnel costs over time. While a simple fee increase would generate additional revenue, there may be alternatives better tailored to the needs of the program that should be considered before making a statutory change.

#### Industry Compliance

The objective of the WI Program is to enforce statute and rules pertaining to well construction standards and deter violations, which does not necessarily require an inspection of every well. Inspections are unannounced to serve as a deterrent strategy for precisely this reason. The Department's performance plan notes that, since the WI Program was instituted, many licensed contractors are refining construction practices to ensure full compliance with rules. Additionally, the average number of complaints investigated by program staff is 26 compared to an average of 1,300 inspections and 3,100 new wells per year. Overall, there does not appear to be a significant problem with compliance with current staffing.

#### Department Priority, Program Benefits, and Industry Support

The request from CWWCA indicates that the industry is willing to pay for more inspectors to ensure quality of wells being constructed, and the Department notes that increased funding would provide programmatic benefits. Program staffing and output is tied directly to the availability of cash funds so increasing fee revenue and FTE would allow the WI Program to complete more inspections. To date, however, the Department has not made a request to the JBC to change fees or supplement funding for the WI Program. The DWR indicated that it only submits formal requests to address the highest priority needs, and the WI Program has been superseded by other issues within the Division and the Department.

# MEMORANDUM

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**TO:** Joint Budget Committee

**FROM:** Carly Jacobs, JBC Staff

**SUBJECT:** Colorado Recovery Office Hazard Mapping Project Information

**DATE:** March 2, 2015

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The Colorado Recovery Office and OSPB submitted a letter to the JBC on March 2, 2015 to provide information on the proposed Hazard Mapping project, including program objectives and a discussion of required funding and funding options. If implemented, the project would provide information and develop tools to help communities make decisions during the flood recovery process and establish policy on future development in flood-impacted areas. This is independent of the FY 2015-16 budget request from the Department of Natural Resources.

## *Staff Recommendation*

This is not a formal request from the Recovery Office and, given the timing of the correspondence, staff does not have a recommendation at this time. However, several alternatives for funding the project are included for the Committee's consideration.

## *Background*

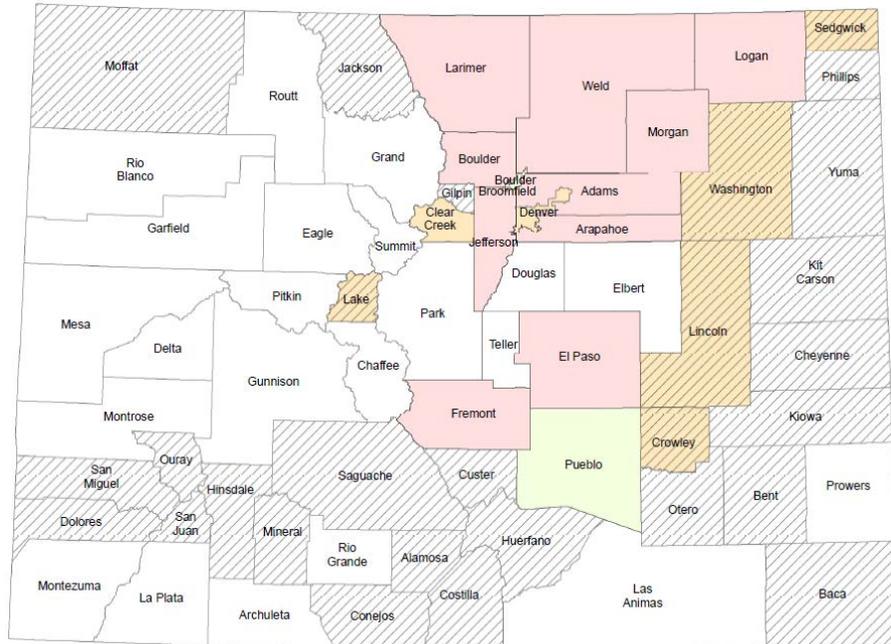
In response to recommendations from the Stream Recovery Steering Committee, the Recovery Office and the Colorado Water Conservation Board (CWCB) collaborated to develop the Hazard Mapping project to address three issues described below.

### *Floodplain Mapping*

The flooding that occurred in September 2013 significantly altered floodplains in affected areas due to erosion, channel migration, and debris loading. These changes are not reflected in the hazard maps communities are currently using to rebuild and establish new regulations related to flooding. The Hazard Mapping project would update these maps to include accurate floodplain boundaries and reflect current hazards based on post-flood conditions. Efforts and expenditures would be focused in three watersheds: the Big Thompson Watershed (Larimer and Weld), the St. Vrain Watershed (Boulder, Larimer, and Weld), and the South Platte Watershed (Weld to state line). The Recovery Office has indicated that updating maps in these areas is critically important in providing affected communities with the tools to incorporate accurate projections of future risk while rebuilding.

Additionally, the project would work to digitize and update Flood Insurance Rate maps in 28 counties around the state. FEMA has broad responsibility for the process of updating these maps, but has indicated that it has no plans to do so at this time. Maps in some of these counties have not been updated since they were first developed in the early 1980's and do not reflect current hydrology or development. The following figure from the CWCB shows counties without

digitized maps (hatched lines), as well as the disaster declaration areas from the 2013 floods (solid shading):



### *Erosion Zone Mapping*

The Hazard Mapping project would also map erosion zones, which are areas that are not included in designated Special Flood Hazard Areas for the purposes of regulation or insurance, but are vulnerable to flood damage under certain conditions. Flood waters not only rise and recede, but can move laterally as banks erode during a flood event. This exposes new areas to flood risks that may avoid impact had channel migration not occurred. Officially-designated flood hazard areas do not currently factor in the probability that a stream channel will migrate.

According to the Recovery Office, several counties reported property damage in erosions zones during the September 2013 floods, but there is no consistent methodology for mapping these zones to determine risk and inform future planning. The Hazard Mapping project would develop a standard methodology to map erosion zones, then update maps in prioritized areas to include these zones so counties can incorporate the information in land use and policy decisions going forward.

### *Debris Flow Mapping*

Debris flows, more commonly and less precisely known as mudslides, are moving masses of loose mud, sand, rock, water and other debris that travels down a slope. They are often initiated by torrential rains or heavy snow melt and can occur very suddenly. Importantly, areas affected by wildfire are particularly susceptible to debris flows in the first several years after a burn.

March 2, 2015

According to USGS estimates, over 1,100 debris flows took place during the September 2013 flood event, which caused loss of life and significant property damage. However, like erosion zones, there is not an established methodology for identifying and mapping debris flow hazard areas. The project would provide funding for the Colorado Geological Survey to develop and pilot methodologies to identify areas susceptible to debris flows. The pilot would be focused in Jefferson, Douglas, and El Paso Counties, with the intent of establishing a five-year funding plan in support of a future request to expand debris flow mapping to the remainder of the state.

### ***Required Funding***

The Hazard Mapping project would run over the course of three years at an estimated total cost of \$6.87 million General Fund. The table below breaks down total funding for the project by component:

<b>Components of Funding for Hazard Mapping Project</b>			
<b>Project Component</b>	<b>Description</b>	<b>General Fund</b>	<b>FTE</b>
Hazard Mapping	Updated floodplain mapping in flood-impacted areas	\$4,465,000	0.0
	Digitization of records in 28 counties	750,000	0.0
	Erosion zone mapping	700,000	0.0
LiDAR Collection	LiDAR coverage in priority areas	555,000	0.0
Staffing	Floodplain Mapping program manager (CWCB)	300,000	1.0
	Debris Flow contract hours (CO Geo Survey)	<u>100,000</u>	<u>0.0</u>
<b>Total</b>		<b>\$6,870,000</b>	<b>1.0</b>

The expected breakdown of project funding by year is as follows:

- Year 1: \$3.8 million General Fund and 1.0 FTE
- Year 2: \$2.4 million General Fund and 1.0 FTE
- Year 3: \$670,000 General Fund and 1.0 FTE

All funding would be administered by the CWCB with the exception of \$655,000 allocated to the Colorado Geological Survey through an intergovernmental agreement for LiDAR and debris flow mapping. Rather than distribute funds for hazard mapping to counties and municipalities, the Recovery Office has set the project up to be centrally managed by the CWCB to ensure consistency in methodology and output across counties.

The Recovery Office identified and ruled out two alternative sources of funding. First, the Community Development Block Grant (CDBG) Planning Program was authorized to distribute grant funds to support flood recovery efforts, but requests for funding already exceed available

resources by \$1.7 million. Alternatively, FEMA will eventually begin updating floodplain maps in affected areas, but the Recovery Office does not expect funding to be available for seven to ten years. This would not provide data in time to benefit the reconstruction efforts that are currently in progress.

The majority of program expenditures would be concentrated in three counties: Larimer, Boulder, and Weld. These counties experienced the most change to floodplain areas as a result of the 2013 flood. At present, the Recovery Office has indicated that these counties have not been asked to provide any financial support for the Hazard Mapping Program. This is primarily due to the fact that these counties have already incurred significant costs related to flood recovery. However, if counties would like a more detailed level of analysis than provided by the project, it would be possible for them to contribute funding to support additional fieldwork, technical analysis, and modeling.

### ***Funding Options***

There are a number of ways for the Recovery Office to secure funding for the Hazard Mapping project. Several options are discussed below.

#### 2015 Long Bill Appropriation

The Recovery Office expressed support for the provision of \$3.8 million General Fund for first-year funding through the 2015 Long Bill. Funding for years two and three would be authorized in a separate bill and included in the FY 2016-17 and FY 2017-18 budget requests for the Department of Natural Resources.

If the Committee were to provide funding in the 2015 Long Bill, staff recommends adding a new line item to the CWCB Special Purpose subdivision with roll-forward spending authority for the first year of funding. The Recovery Office and the CWCB have indicated that it is a near certainty all of the first-year funding will be encumbered, and likely spent, by the end of FY 2015-16. However, given the technical nature of the project and the fact that expenditures are dependent on the timeline for developing required methodology, roll-forward authority would provide flexibility for the project to use any remaining moneys in FY 2016-17.

#### Special Bill with Placeholder Amount

The Committee could choose to provide funding for the Program by running a special bill, and consider setting a placeholder amount for the General Fund appropriation required in FY 2015-16. Establishing and funding the Program through separate legislation offers an opportunity to provide more specific direction on program objectives in statute. The Recovery Office feels that this is also an acceptable means of funding the project.

#### Status Quo

The Committee could continue with the figure setting process without providing funding for the Hazard Mapping project. The Recovery Office and OSPB indicated they would seek a different bill sponsor for legislation to establish and fund the project during the 2015 session.