

**DEPARTMENT OF NATURAL RESOURCES  
FY 2009-10 JOINT BUDGET COMMITTEE HEARING AGENDA**

**Monday, December 1, 2008  
9:00 pm – 12:00 pm**

**9:00-9:45      INTRODUCTIONS AND OPENING COMMENTS**

**9:45-10:00    QUESTIONS COMMON TO ALL DEPARTMENTS**

1. What are your department's three top goals for the current year? How will they be achieved?
2. How do your requested decision items tie to your goals?
3. Could your department shift to a four day work week that begins on Wednesday and ends on Saturday? If not, why not? If only a portion of the department can go to a four day week, what portion can and what portion cannot and why?
4. Has your department been able to fill new or vacant positions? Can your department quantify the benefits it has seen as a result of adding additional FTE or filling vacant positions?
5. What is the status of your department's implementation of S.B.08-155, Centralize IT Management in OIT? Is your department experiencing any difficulties?
6. If you have submitted a General Fund decision item, justify why it must be funded in FY 2009-10 and why it cannot be postponed until FY 2010-11.
7. How many employees, especially among upper management, are assigned a state vehicle for them to use to travel between home and work? How many state vehicles does your department use to transport staff? Would it be more cost effective to reimburse employees for using their personal vehicles for these purposes?

**10:00-10:15    OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND**

8. What proposals is the Department aware of for changing expenditures from the Operational Account of the Severance Tax Trust Fund, and how would these proposals impact the projected unencumbered balance?
9. House Bill 08-1398 made several changes to the reserve requirements for the Operational Account of the Severance Tax Trust Fund, with the net impact of lowering the total amount reserved. If the reserve requirements for the Operational Account had not changed, there would not be such a large projected unobligated fund balance. Are the current reserve requirements for the Operational Account appropriate and adequate?

**10:15-10:30 OIL AND GAS CONSERVATION COMMISSION**

Decision Item #1 – Administrative Support Staff and Contract Funding

The Department's #1 decision item would fund 4.0 FTE and two contract positions to process oil and gas permitting documents, at a cost of \$246,154 cash funds from the Oil and Gas Conservation and Environmental Response Fund.

10. Please project the amount of oil and gas activity in the state for FY 2009-10 and the next couple of years, such as the number of oil rigs, permit requests, and active wells. Discuss the sources of data for the projection, and the Department's level of confidence that this is what the oil and gas landscape will look like.
11. If the Department's #1 decision item is approved, how will the ratio of staff to key workload measures, such as permit requests, compare to prior years?
12. Please provide the Department's reasoning behind requesting money for this decision item from the mill levy money in the Oil and Gas Conservation and Environmental Response Fund rather than the Operational Account of the Severance Tax Trust Fund.

**10:30-10:45 COLORADO GEOLOGICAL SURVEY**

13. The Department's decision item #5 requests \$148,044 cash funds from the Operational Account of the Severance Tax Trust Fund to map water aquifers, assess the water resources, set up well monitoring to track useage and recharge, and study the feasibility of pumping water into aquifers. Studying water resources is already part of the Department's duties and has been funded in the past.
  - a. How does the proposed research expand on what has already been done?
  - b. Why is this additional research necessary?
  - c. What will the Department deliver with the new funding?
14. The Department's decision item #13 requests \$1,084 cash funds from the Operational Account of the Severance Tax Trust Fund for a new four-wheel drive vehicle for the pool used by the Colorado Geological Survey. Could this be a natural gas vehicle?

**10:45-11:00 BREAK (IF NEEDED)**

**11:00-11:20 DIVISION OF PARKS**

June 2008 Parks Performance Audit Issue

15. Will the Department be able to track expenditures by revenue source in state parks? By what date does Department anticipate being able to provide this information to the Joint Budget Committee?

16. Is the Division maintaining a reserve for controlled maintenance on capital expenditures?

Capital Assets and Lottery Proceeds Issue

17. Provide a list of state parks that the Division can sell in order to come up with \$150.7 million in health and safety capital assets maintenance need indentified in the June 2008 audit report. What other options does the Division propose to finance the above mentioned maintenance need backlog?

18. Can a portion of lottery funding be turned into COPs in order to finance the maintenance backlog? Would there be any legal restrictions to using lottery funds for COPs?

19. Are there legal restrictions to using a bigger portion of lottery proceeds on state parks operations and maintenance? Please be specific.

**11:20-11:30 COLORADO WATER CONSERVATION BOARD**

20. Why is the Division funding its operations from the Water Conservation Board Construction Fund and not from the Operational Account of the Severance Tax Trust Fund?

**11:30-11:40 WATER RESOURCES DIVISION**

Base Reduction Item #1 – Water Resources Division

The Department's #1 base reduction item would eliminate 2.0 FTE and \$84,000 in cash funds (Water Data Bank fund). The Department requests \$84,000 in General Fund in order to replace a potential loss of revenue as a result of elimination of 2.0 FTE. The division is planning to provide all of its water records on-line.

21. What operating expenditures will \$84,000 General Fund cover? Why does the Division need to retain \$84,000 in GF if 2.0 FTE are going away?

**11:40-11:50 STATE LAND BOARD**

22. To the extent that there is new information about the Lowry Range project since the JBC staff briefing, please provide an update on the status of the project.

**11:50-12:00 EXECUTIVE DIRECTOR'S OFFICE**

Decision Item #7 – Executive Director's Office

The Department's #7 decision item would fund the renewal of eight leases expiring in FY 2008-09 at a higher rate (increases of between 0 and 5 percent). The total requested increase is \$36,520 (including \$34,668 General Fund).

23. Why are leases increasing given today's market for lease space? Shouldn't lease space prices be falling?

Decision Item #11 – Executive Director's Office/CWCB

The Department's #11 decision item would transfer \$1,260 cash funds from the CWCB's operating line item to the EDO's lease space line item in order to pay for a parking space for a FY 2008-09 approved vehicle to be parked in the State of Colorado parking garage located at 14<sup>th</sup> Street and Lincoln Avenue.

24. What is vehicle that is going to be parked in the garage to be used for? Will the vehicle be assigned to an individual or is it a pool vehicle?

25. Did the department ask for this space in the past? Was the request denied by OSPB or the General Assembly? Where was the vehicle parked prior to this request?