

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2013-14
DEPARTMENT OF NATURAL RESOURCES**

**(Executive Director's Office, Division of Parks and Wildlife,
Colorado Water Conservation Board, and Water Resources Division)**

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

**Prepared By:
Joy Huse, JBC Staff
January 21, 2014**

For Further Information Contact:

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

TABLE OF CONTENTS

	Narrative Page	Numbers Page
Department Overview	1	N.A.
Summary: FY 2013-14 Appropriation and Recommendation		
Prioritized Supplementals in Department-assigned Order	1	N.A.
S1 – Additional Legal Services	2	6
S2 – CAIC Stabilization	4	7
Non-prioritized Supplementals		
Statewide Common Policy Supplemental Requests	5	N.A.
Totals for All Supplementals	N.A.	8
Appendix A - Numbers Pages		

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 the State's present and future residents and visitors. The Department's FY 2013-14 appropriations represent 1.3 percent of statewide operating appropriations and 0.4 percent of statewide General Fund appropriations. The Department is comprised of the following agencies and divisions: Executive Director's Office; Colorado Avalanche Information Center; Reclamation, Mining, and Safety; Oil and Gas Conservation Commission; State Board of Land Commissioners; Division of Parks and Wildlife; Colorado Water Conservation Board; and Water Resources Division.

Summary: FY 2013-14 Appropriation and Recommendation

Department of Natural Resources: Recommended Changes for FY 2013-14						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$241,007,024	\$24,978,508	\$178,674,931	\$8,774,311	\$28,579,274	1,438.8
Other Legislation	<u>36,502,217</u>	<u>0</u>	<u>36,502,217</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Current FY 2013-14 Appropriation	\$277,509,241	\$24,978,508	\$215,177,148	\$8,774,311	\$28,579,274	1,438.8
Recommended Changes						
Current FY 2013-14 Appropriation	\$277,509,241	24,978,508	\$215,177,148	\$8,774,311	\$28,579,274	1,438.8
S1 Additional Legal Services	163,944	163,944	44,500	0	(44,500)	0.0
S2 CAIC Stabilization	80,077	0	79,547	530	0	0.3
S3 Asset Management System Replacement	0	0	0	0	0	0.0
S4 Vehicles for Inspectors	15,248	0	15,248	0	0	0.0
Statewide common policy requests	<u>(71,795)</u>	<u>(15,100)</u>	<u>(64,258)</u>	<u>3,711</u>	<u>3,852</u>	<u>0.0</u>
Recommended FY 2013-14 Appropriation	\$277,696,715	\$25,127,352	\$215,252,185	\$8,778,552	\$28,538,626	1,439.1
Recommended Increase/(Decrease)	\$187,474	\$148,844	\$75,037	\$4,241	(\$40,648)	0.3
Percentage Change	0.1%	0.6%	0.0%	0.0%	(0.1%)	0.0%
FY 2013-14 Executive Request	\$277,696,715	\$25,127,352	\$215,252,185	\$8,778,552	\$28,538,626	1,439.1
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

/a S3 and S4 requests will be addressed in a separate supplemental presentation.

Request/Recommendation Descriptions

S1 Additional Legal Services: The Department requests an increase 1,800 legal services hours which consists of an increase of \$163,944 General Fund and a net-zero fund source adjustment of \$44,500. If the Committee approves this supplemental request, there will be a supplemental adjustment of 1.0 FTE and \$163,944 reappropriated funds included in the Department of Law's supplemental bill for the provision of legal services. Staff recommends the request.

S2 CAIC Stabilization: The Department requests \$80,077 total funds for the Colorado Avalanche Information Center (CAIC) to allow four existing FTE to work full time, remove FTE funding from donations, purchase two-way satellite radios for 15 forecasters, and lease a total of four vehicles from State Fleet. Staff recommends the request.

Statewide common policy requests: The request includes a decrease of \$71,795 total funds for the Department's share of the Annual Fleet True-up request and an IDS Mail Postage & Envelope Request. The recommendation is pending JBC action during the supplemental presentation for the Department of Personnel.

Prioritized Supplemental Requests

SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #1 ADDITIONAL LEGAL SERVICES

	Request	Recommendation
Total	<u>\$163,944</u>	<u>\$163,944</u>
FTE	0.0	0.0
General Fund	163,944	163,944
Cash Funds	44,500	44,500
Federal Funds	(44,500)	(44,500)

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

Department Request: The Department requests an increase 1,800 legal services hours which consists of an increase of \$163,944 General Fund and a net-zero fund source adjustment of \$44,500. If the Committee approves this supplemental request, there will be a supplemental adjustment of 1.0 FTE and \$163,944 reappropriated funds included in the Department of Law's supplemental bill for the provision of legal services. The supplemental request is paired with a budget amendment for ongoing funding of \$163,944 General Fund for a permanent increase in

legal services hours for the Water Resources Division related to the Arkansas River Basin and ground water enforcement.

Staff Recommendation: Staff recommends that the Committee approve the request.

Staff Analysis:

The Department of Natural Resources has reverted less than 4.0 percent of its total appropriation for legal services hours the last two fiscal years, demonstrating a need for additional resources. Total expenditures for legal services hours as of December 2013 exceeded the estimated average expenditures for six months by 5.0 percent. In addition to this supplemental request, the FY 2013-14 appropriation allowed for an increase of 1,582 legal services hours for the anticipated need, yet the Department is still in a position to exceed existing spending authority if the pace of claims remains constant for the remainder of the fiscal year.

According to the Department, the continued need for an increase in legal services hours can be attributed to four main factors:

- September 2013 Flood Events – through December 2013 flood related workload has resulted in 379 billed legal services hours. If this trend continues through the remainder of FY 2013-14, a total of 758 legal services hours may be required.
- Produced nontributary ground water activity – legal proceedings since 2005 have increased the permitting requirements for oil and gas wells and coal bed methane operations that use groundwater.
- Other large nontributary ground water claims – an increase in ground water and determination of water source claims.
- Increased water law complexity and water use enforcement – increases in legal claims related to the use of ground water and well pumping restrictions.

The following table outlines staff’s recommendation for legal services:

Legal Services Supplemental Recommendation						
	Legal Hours	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
DRMS	0	\$0	\$0	\$44,500	\$0	(\$44,500)
Water Resources Division	<u>1,800</u>	<u>\$163,944</u>	<u>\$163,944</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	1,800	\$163,944	\$163,944	\$44,500	\$0	(\$44,500)

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #2
COLORADO AVALANCHE INFORMATION CENTER STABILIZATION**

	Request	Recommendation
Total	<u>\$80,077</u>	<u>\$80,077</u>
FTE	0.3	0.3
Cash Funds	79,547	79,547
Reappropriated Funds	530	530

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

Department Request: The Department requests \$80,077 total funds for the Colorado Avalanche Information Center (CAIC) to allow four existing FTE to work full time, remove FTE funding from donations, lease a total of four vehicles from State Fleet, and purchase two-way satellite radios for 15 forecasters. The supplemental request is paired with a budget amendment for ongoing funding of \$105,540 total funds for the same purpose.

Staff Recommendation: Staff recommends that the Committee approve this request. The recommendation is summarized in the following table:

Staff Recommendation	
Summer FTE	\$21,179
Remove FTE Donation Funding	50,006
Vehicles	2,892
Radio Equipment	<u>6,000</u>
Total	<u>\$80,077</u>

Staff Analysis: The supplemental budget request was developed in response to H.B. 13-1057 which retained the CAIC within the Department of Natural Resources. The CAIC has existed since 1973 with two primary purposes: avalanche education and training, and avalanche forecasting for highways and backcountry ski areas.

Funding for FTE costs will allow the Director, Executive Director, and two senior forecasters to be compensated at a 1.0 FTE rate and work during the summer. In addition, \$50,006 from donations is used to pay for FTE costs for forecasters. Approving this request will result in the Department being able to fully fund the existing 8.4 FTE without the use of donations. This will also allow the donations to go toward program improvements. CAIC staff indicate donation

revenues will then be used to fund program priorities, including cellular application development and acquisition of new snowmobiles.

Four vehicles are being requested to replace the current two vehicles and add two new vehicles to be utilized by the CAIC for eight months, and the Executive Director’s Office for four months. The vehicles will be split among the eight employees for winter activities which require a higher towing capacity than the current vehicles. In summer months, the vehicles will be used for site visits and maintenance operations.

Finally, an independent evaluation of the CAIC indicated the need for two-way satellite radios for all forecasters, and a monthly subscription fee to operate the radios. Currently, cell phones and less sophisticated emergency equipment which does not allow for two-way communication is being utilized. Upgrading the equipment will result in faster notification times of emergencies to the public, and the ability for the staff members to communicate.

Statewide Common Policy Supplemental Requests

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

Department's Portion of Statewide Supplemental Request	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
IDS Mail Postage & Envelope Request	\$20,311	\$639	\$19,238	\$230	\$3,648	0.0
Annual Fleet True-up	<u>(92,106)</u>	<u>(15,248)</u>	<u>(83,496)</u>	<u>3,481</u>	<u>3,648</u>	<u>0.0</u>
Department's Total Statewide Supplemental Requests	(\$71,795)	(\$15,100)	(\$64,258)	\$3,711	\$3,852	0.0

Staff Recommendation: The staff recommendation for these requests is pending Committee action for common policy supplementals. Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the Committee takes action for the IDS Mail Postage & Envelope Request. Staff requests permission to deviate from the policy for the Annual Fleet True-Up, if the committee denies the request. Although the request equates to 2.7 percent of the FY 2013-14 appropriation for vehicle lease payments, staff believes reducing the appropriation is appropriate to offset some of the cost of the Department’s supplemental requests.

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
--	----------------------	-----------------------------	--------------------------------	----------------------------	-------------------------------------

DEPARTMENT OF NATURAL RESOURCES
Mike King, Executive Director

S1 Additional Legal Services WRD

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) Administration

Legal Services	<u>3,381,991</u>	<u>4,280,030</u>	<u>163,944</u>	<u>163,944</u>	<u>4,443,974</u>
General Fund	850,032	1,003,109	163,944	163,944	1,167,053
Cash Funds	2,473,115	3,172,117	44,500	44,500	3,216,617
Reappropriated Funds	8,938	43,853	0	0	43,853
Federal Funds	49,906	60,951	(44,500)	(44,500)	16,451

Total for S1 Additional Legal Services WRD	3,381,991	4,280,030	163,944	163,944	4,443,974
<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	850,032	1,003,109	163,944	163,944	1,167,053
Cash Funds	2,473,115	3,172,117	44,500	44,500	3,216,617
Reappropriated Funds	8,938	43,853	0	0	43,853
Federal Funds	49,906	60,951	(44,500)	(44,500)	16,451

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
S2 CAIC Stabilization					
(1) EXECUTIVE DIRECTOR'S OFFICE					
(A) Administration					
Vehicle Lease Payments	<u>2,860,362</u>	<u>3,462,996</u>	<u>2,892</u>	<u>2,892</u>	<u>3,465,888</u>
General Fund	320,663	312,940	0	0	312,940
Cash Funds	2,493,765	3,092,453	2,362	2,362	3,094,815
Reappropriated Funds	0	3,208	530	530	3,738
Federal Funds	45,934	54,395	0	0	54,395
(1) EXECUTIVE DIRECTOR'S OFFICE					
(B) Special Programs					
Colorado Avalanche Information Center	<u>439,181</u>	<u>708,770</u>	<u>77,185</u>	<u>77,185</u>	<u>785,955</u>
FTE	0.0	8.4	0.3	0.3	8.7
General Fund	0	0	0	0	0
Cash Funds	182,975	280,750	77,185	77,185	357,935
Reappropriated Funds	246,963	409,833	0	0	409,833
Federal Funds	9,243	18,187	0	0	18,187
Total for S2 CAIC Stabilization	3,299,543	4,171,766	80,077	80,077	4,251,843
FTE	<u>0.0</u>	<u>8.4</u>	<u>0.3</u>	<u>0.3</u>	<u>8.7</u>
General Fund	320,663	312,940	0	0	312,940
Cash Funds	2,676,740	3,373,203	79,547	79,547	3,452,750
Reappropriated Funds	246,963	413,041	530	530	413,571
Federal Funds	55,177	72,582	0	0	72,582

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
Totals Excluding Pending Items					
NATURAL RESOURCES					
TOTALS for ALL Departmental line items	244,732,587	277,509,241	244,021	244,021	277,753,262
<i>FTE</i>	<u>1,382.1</u>	<u>1,438.8</u>	<u>0.3</u>	<u>0.3</u>	<u>1,439.1</u>
General Fund	23,677,014	24,978,508	163,944	163,944	25,142,452
Cash Funds	187,041,980	215,177,148	124,047	124,047	215,301,195
Reappropriated Funds	7,641,695	8,774,311	530	530	8,774,841
Federal Funds	26,371,898	28,579,274	(44,500)	(44,500)	28,534,774