

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2010-11 STAFF FIGURE SETTING  
DEPARTMENT OF PUBLIC HEALTH AND  
ENVIRONMENT**

**(Environmental Divisions Only)**

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

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March 10, 2010**

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**DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT  
ENVIRONMENTAL DIVISIONS ONLY  
FY 2010-11 FIGURE SETTING**

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**FY 2010-11 Joint Budget Committee Staff Figure Setting  
Department of Public Health and Environment  
(Environmental Divisions Only)**

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
<b>DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT</b>						
Executive Director: Martha Rudolph						
<b>(1) ADMINISTRATION AND SUPPORT</b>						
<b>(C) Special Environmental Programs</b>						
This subdivision houses the appropriations for environmental programs involving multiple divisions.						
Environmental Leadership and Pollution Prevention [Proposed name: PROGRAM COSTS]	978,837	1,300,067	858,531 S/	945,479	945,479	DI #3 - Reorg SWNPBA-PERA
FTE	<u>7.2</u>	<u>8.2</u>	<u>7.0</u>	<u>7.8</u>	<u>7.8</u>	
Cash Funds	82,003	87,729	172,385	255,824	255,824	
FTE	0.7	0.9	0.0	0.8	0.8	
RF/CFE	37,177	0	0	0	0	
Federal Funds	859,657	1,212,338	686,146	689,655	689,655	
FTE	6.5	7.3	7.0	7.0	7.0	
Housed Commercial Swine Feeding Operations (HCSFO) Program [Proposed name: ANIMAL FEEDING OPERATIONS]	<u>58,220</u>	<u>53,880</u>	<u>58,576</u> S/	<u>474,339</u>	<u>474,339</u>	DI #3 - Reorg SWNPBA-PERA
General Fund	0	0	0	100,000	100,000	
Cash Funds	58,220	53,880	58,576	374,339	374,339	
FTE	0.5	0.5	0.5	3.5	3.5	
Recycling Resources Economic Opportunity Program - CF	326,589	2,047,005	2,626,798 S/	2,627,279	2,627,279	SWNPBA-PERA
FTE	0.6	1.6	1.6	1.6	1.6	
Advanced Technology Research Grants	<u>77,393</u>	<u>551,515</u>	<u>495,000</u> S/	<u>495,000</u>	<u>495,000</u>	
Cash Funds	0	551,515	495,000	495,000	495,000	
RF/CFE	77,393	0	0	0	0	
Oil and Gas Consultation, Personal Services [New Line] - CF				175,164	110,904	
FTE				2.0	1.0	
Oil and Gas Consultation, Operating Expenses [New Line] - CF				19,577	9,789	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
<b>SUBTOTAL - Special Environmental</b>						
Programs	1,441,039	3,952,467	4,038,905	4,736,838	4,662,790	
FTE	<u>8.3</u>	<u>10.3</u>	<u>9.1</u>	<u>14.9</u>	<u>13.9</u>	
General Fund	0	0	0	100,000	100,000	
Cash Funds	466,812	2,740,129	3,352,759	3,947,183	3,873,135	
FTE	1.8	3.0	2.1	7.9	6.9	
RF/CFE	114,570	0	0	0	0	
Federal Funds	859,657	1,212,338	686,146	689,655	689,655	
FTE	6.5	7.3	7.0	7.0	7.0	

**(5) AIR QUALITY CONTROL DIVISION [Proposed new name: AIR POLLUTION CONTROL DIVISION]**

The Division enforces air quality regulations adopted by the Air Quality Control Commission and is responsible for providing air quality management services that contribute to the protection and improvement of public health, ecosystem integrity, and aesthetic values for odor and visibility. The sources of cash funds are the Stationary Sources Control Fund, the Automobile Inspection and Readjustment (AIR) Account of the Highway Users Tax Fund, the Lead Hazard Reduction Fund, the Oil and Gas Conservation and Environmental Response Fund, and some fee and tuition revenue.

**(A) Administration**

Personal Services	346,735	358,644	373,636 S/	375,788	375,788	SWNPBA-PERA
FTE	<u>4.5</u>	<u>4.3</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	
Cash Funds	125,249	271,746	285,609	287,314	287,314	
FTE	1.6	3.1	3.1	3.1	3.1	
RF/CFE	131,090	0	0	0	0	
FTE	1.5	0.0	0.0	0.0	0.0	
Federal Funds	90,396	86,898	88,027	88,474	88,474	
FTE	1.4	1.2	1.4	1.4	1.4	
Operating Expenses - FF	3,487	9,187	9,187	9,187	9,187	
Capital Outlay - CF	150,351	0	0	0	0	
Indirect Cost Assessment	<u>2,199,239</u>	<u>2,062,754</u>	<u>2,865,296</u>	<u>2,574,743</u>	<u>Pending</u>	
Cash Funds	1,067,781	1,589,216	2,459,761	2,213,464		
RF/CFE	668,914	0	0	0		
Federal Funds	462,544	473,538	405,535	361,279		

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
<b>SUBTOTAL - Administration</b>	2,699,812	2,430,585	3,248,119	2,959,718	384,975	
FTE	<u>4.5</u>	<u>4.3</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	
Cash Funds	1,343,381	1,860,962	2,745,370	2,500,778	287,314	
FTE	1.6	3.1	3.1	3.1	3.1	
RF/CFE	800,004	0	0	0	0	
FTE	1.5	0.0	0.0	0.0	0.0	
Federal Funds	556,427	569,623	502,749	458,940	97,661	
FTE	1.4	1.2	1.4	1.4	1.4	

**(B) Technical Services**

Personal Services	0	2,672,898	2,795,415 S/	2,718,402	2,723,614	SWNPDI-IT Staff; SWNPBA-PERA
FTE	<u>0.0</u>	<u>30.7</u>	<u>35.1</u>	<u>34.1</u>	<u>34.1</u>	
Cash Funds	0	1,762,617	1,837,515	1,836,520	1,838,324	
FTE	0.0	20.5	21.8	21.8	21.8	
Federal Funds	0	910,281	957,900	881,882	885,290	
FTE	0.0	10.2	13.3	12.3	12.3	
Operating Expenses	<u>0</u>	<u>376,892</u>	<u>400,327</u>	<u>400,802</u>	<u>400,802</u>	
Cash Funds	0	303,502	315,766	316,241	316,241	
Federal Funds	0	73,390	84,561	84,561	84,561	
Local Contracts	<u>0</u>	<u>557,865</u>	<u>730,368</u>	<u>730,368</u>	<u>730,368</u>	
Cash Funds	0	447,705	636,121	636,121	636,121	
Federal Funds	0	110,160	94,247	94,247	94,247	
(1) Air Quality Monitoring						
Personal Services	1,299,849					
FTE	<u>16.5</u>					
Cash Funds	58,797					
FTE	1.6					
RF/CFE	1,010,883					
FTE	12.3					
Federal Funds	230,169					
FTE	2.6					

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Approp.	Request	Staff Recomm.	Change Requests
Operating Expenses	<u>108,211</u>					
Cash Funds	0					
RF/CFE	91,854					
Federal Funds	16,357					
Local Contracts	<u>627,120</u>					
Cash Funds	430,676					
RF/CFE	84,270					
Federal Funds	112,174					
<b>Subtotal - Air Quality Monitoring</b>	<b>2,035,180</b>					
FTE	<u>16.5</u>					
Cash Funds	489,473					
FTE	1.6					
RF/CFE	1,187,007					
FTE	12.3					
Federal Funds	358,700					
FTE	2.6					
<b>(2) Modeling and Analysis</b>						
Personal Services	765,959					
FTE	<u>8.6</u>					
Cash Funds	81,039					
FTE	1.3					
RF/CFE	182,471					
FTE	2.2					
Federal Funds	502,449					
FTE	5.1					
Operating Expenses	<u>216,494</u>					
Cash Funds	15,005					
RF/CFE	112,307					
Federal Funds	89,182					

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Approp.	Request	Staff Recomm.	Change Requests
Ozone Modeling Contracts	199,079					
RF/CFE	99,837					
Federal Funds	99,242					
<b>Subtotal - Modeling and Analysis</b>	<b>1,181,532</b>					
FTE	8.6					
Cash Funds	96,044					
FTE	1.3					
RF/CFE	394,615					
FTE	2.2					
Federal Funds	690,873					
FTE	5.1					
<b>(3) Visibility and Risk Assessment</b>						
Personal Services	377,448					
FTE	4.1					
Cash Funds	254,895					
FTE	2.4					
RF/CFE	64,144					
FTE	0.8					
Federal Funds	58,409					
FTE	0.9					
Operating Expenses - FF	835					
<b>Subtotal - Visibility and Risk Assessmt</b>	<b>378,283</b>					
FTE	4.1					
Cash Funds	254,895					
FTE	2.4					
RF/CFE	64,144					
FTE	0.8					
Federal Funds	59,244					
FTE	0.9					

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
SUBTOTAL - Technical Services	3,594,995	3,607,655	3,926,110	3,849,572	3,854,784	
FTE	<u>29.2</u>	<u>30.7</u>	<u>35.1</u>	<u>34.1</u>	<u>34.1</u>	
Cash Funds	840,412	2,513,824	2,789,402	2,788,882	2,790,686	
FTE	5.3	20.5	21.8	21.8	21.8	
RF/CFE	1,645,766	0	0	0	0	
FTE	15.3	0.0	0.0	0.0	0.0	
Federal Funds	1,108,817	1,093,831	1,136,708	1,060,690	1,064,098	
FTE	8.6	10.2	13.3	12.3	12.3	

**(C) Mobile Sources**

Personal Services	0	2,326,826	2,485,410 S/	2,503,277	2,503,028	DI #2;
FTE	<u>0.0</u>	<u>27.5</u>	<u>31.7</u>	<u>32.1</u>	<u>32.1</u>	SWNPDI-IT Staff;
Cash Funds	0	2,161,952	2,293,425 a/	2,343,480	2,342,731	SWNPBA-PERA
FTE	0.0	25.6	28.8	29.6	29.6	
Federal Funds	0	164,874	191,985	159,797	160,297	
FTE	0.0	1.9	2.9	2.5	2.5	
Operating Expenses	<u>0</u>	<u>141,905</u>	<u>344,594</u>	<u>368,392</u>	<u>368,392</u>	DI #2
Cash Funds	0	119,513	326,344 b/	350,142	350,142	
Federal Funds	0	22,392	18,250	18,250	18,250	
Diesel Inspection/Maintenance Program - CF	0	647,742	636,395 S/	639,240	639,240	SWNPBA-PERA
FTE	0.0	6.6	6.6	6.6	6.6	
Mechanic Certification Program - CF	0	5,180	7,000	7,000	7,000	
Local Grants - CF	0	97,669	45,299	45,299	45,299	



	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Approp.	Request	Staff Recomm.	Change Requests
<b>(1) Research and Support</b>						
Personal Services	1,522,501					
FTE	<u>16.7</u>					
Cash Funds	0					
FTE	0.0					
RF/CFE	1,356,103					
FTE	16.3					
Federal Funds	166,398					
FTE	0.4					
Operating Expenses	<u>306,377</u>					
Cash Funds	0					
RF/CFE	288,127					
Federal Funds	18,250					
<b>Subtotal - Research and Support</b>						
	1,828,878					
FTE	<u>16.7</u>					
Cash Funds	0					
FTE	0.0					
RF/CFE	1,644,230					
FTE	16.3					
Federal Funds	184,648					
FTE	0.4					
<b>(2) Inspection and Maintenance</b>						
Personal Services	677,917					
FTE	<u>8.4</u>					
Cash Funds	0					
FTE	0.0					
RF/CFE	677,917					
FTE	8.4					
Operating Expenses	<u>27,189</u>					
Cash Funds	0					
RF/CFE	27,189					

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
Diesel Inspection/Maintenance Program	624,135					
FTE	<u>5.5</u>					
Cash Funds	162,752					
FTE	1.3					
RF/CFE	461,383					
FTE	4.2					
Clean Screen and High Emitter Programs - RF/CFE	156,700					
FTE	1.4					
Mechanic Certification Program - CF	2,355					
FTE	0.0					
Local Grants	<u>45,299</u>					
Cash Funds	0					
RF/CFE	45,299					
<b>Subtotal - Inspection and Maintenance</b>	<b>1,533,595</b>					
FTE	<u>15.3</u>					
Cash Funds	165,107					
FTE	1.3					
RF/CFE	1,368,488					
FTE	14.0					
<b>SUBTOTAL - Mobile Sources</b>	<b>3,362,473</b>	<b>3,219,322</b>	<b>3,518,698</b>	<b>3,563,208</b>	<b>3,562,959</b>	
FTE	<u>32.0</u>	<u>34.1</u>	<u>38.3</u>	<u>38.7</u>	<u>38.7</u>	
Cash Funds	165,107	3,032,056	3,308,463	3,385,161	3,384,412	
FTE	1.3	32.2	35.4	36.2	36.2	
RF/CFE	3,012,718	0	0	0	0	
FTE	30.3	0.0	0.0	0.0	0.0	
Federal Funds	184,648	187,266	210,235	178,047	178,547	
FTE	0.4	1.9	2.9	2.5	2.5	

a/ For FY 2009-10, includes an increase of \$87,845 and 1.5 FTE pursuant to S.B. 09-003.

b/ For FY 2009-10, includes an increase of \$9,267,955 pursuant to S.B. 09-003.

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
<b>(D) Stationary Sources</b>						
Personal Services	0	6,462,004	6,523,579 S/	6,117,629	6,126,493	DI #3-Reorg; SWNPDI-IT Staff; SWNPBA-PERA
FTE	<u>0.0</u>	<u>80.8</u>	<u>87.2</u>	<u>81.8</u>	<u>81.8</u>	
Cash Funds	0	5,238,053	5,196,596	4,935,141	4,939,170	
FTE	0.0	66.7	67.5	64.0	64.0	
Federal Funds	0	1,223,951	1,326,983	1,182,488	1,187,323	
FTE	0.0	14.1	19.7	17.8	17.8	
Operating Expenses	<u>0</u>	<u>404,140</u>	<u>409,054</u>	<u>389,477</u>	<u>389,477</u>	DI #3-Reorg
Cash Funds	0	401,412	407,724	388,147	388,147	
Federal Funds	0	2,728	1,330	1,330	1,330	
Local Contracts	<u>0</u>	<u>764,140</u>	<u>837,147</u>	<u>837,147</u>	<u>837,147</u>	
Cash Funds	0	662,523	722,067	722,067	722,067	
Federal Funds	0	101,617	115,080	115,080	115,080	
Preservation of the Ozone Layer - CF	0	213,155	228,256	228,828	228,828	SWNPBA-PERA
FTE	0.0	2.0	2.0	2.0	2.0	
<b>(1) Inventory and Support Services</b>						
Personal Services	1,630,208					
FTE	<u>20.2</u>					
Cash Funds	1,098,932					
FTE	14.0					
Federal Funds	531,276					
FTE	6.2					
Operating Expenses - CF	256,551					
<b>Subtotal - Inventory and Support Services</b>						
FTE	<u>20.2</u>					
Cash Funds	1,355,483					
FTE	14.0					
Federal Funds	531,276					
FTE	6.2					

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Approp.	Request	Staff Recomm.	Change Requests
<b>(2) Permits and Compliance Assurance</b>						
Personal Services	3,490,740					
FTE	<u>44.4</u>					
Cash Funds	2,826,073					
FTE	37.1					
RF/CFE	83,726					
Federal Funds	580,941					
FTE	7.3					
Operating Expenses	<u>99,815</u>					
Cash Funds	45,942					
Federal Funds	53,873					
Local Contracts	<u>674,096</u>					
Cash Funds	557,710					
Federal Funds	116,386					
<b>Subtotal - Permits and Compliance</b>						
Assurance	4,264,651					
FTE	<u>44.4</u>					
Cash Funds	3,429,725					
FTE	37.1					
RF/CFE	83,726					
Federal Funds	751,200					
FTE	7.3					
<b>(3) Hazardous and Toxic Control</b>						
Personal Services	869,468					
FTE	<u>11.2</u>					
Cash Funds	684,147					
FTE	9.0					
Federal Funds	185,321					
FTE	2.2					

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Approp.	Request	Staff Recomm.	Change Requests
Operating Expenses - CF	58,845					
Preservation of the Ozone Layer	199,206					
FTE	<u>2.0</u>					
Cash Funds	144,553					
FTE	2.0					
RF/CFE	54,653					
<b>Subtotal - Hazardous and Toxic Control</b>	<b>1,127,519</b>					
FTE	<u>13.2</u>					
Cash Funds	887,545					
FTE	11.0					
RF/CFE	54,653					
Federal Funds	185,321					
FTE	2.2					
 (4) Housed Commercial Swine Feeding Operation (HCSFO) Program						
Program Costs - CF	58,220					
FTE	0.5					
<b>SUBTOTAL - Stationary Sources</b>	<b>7,337,149</b>	<b>7,843,439</b>	<b>7,998,036</b>	<b>7,573,081</b>	<b>7,581,945</b>	
FTE	<u>78.3</u>	<u>82.8</u>	<u>89.2</u>	<u>83.8</u>	<u>83.8</u>	
Cash Funds	5,730,973	6,515,143	6,554,643	6,274,183	6,278,212	
FTE	62.6	68.7	69.5	66.0	66.0	
RF/CFE	138,379	0	0	0	0	
Federal Funds	1,467,797	1,328,296	1,443,393	1,298,898	1,303,733	
FTE	15.7	14.1	19.7	17.8	17.8	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Approp.	Request	Staff Recomm.	Change Requests
<b>TOTAL - (5) AIR QUALITY CONTROL DIVISION</b>						
<b>DIVISION</b>	16,994,429	17,101,001	18,690,963	17,945,579	15,384,663	
FTE	144.0	151.9	167.1	161.1	161.1	
Cash Funds	8,079,873	13,921,985	15,397,878	14,949,004	12,740,624	
FTE	70.8	124.5	129.8	127.1	127.1	
RF/CFE	5,596,867	0	0	0	0	
FTE	47.1	0.0	0.0	0.0	0.0	
Federal Funds	3,317,689	3,179,016	3,293,085	2,996,575	2,644,039	
FTE	26.1	27.4	37.3	34.0	34.0	

**(6) WATER QUALITY CONTROL DIVISION**

The Division enforces water quality regulations adopted by the Water Quality Control Commission and the State Board of Health through stream classifications and standards, discharge permits, site application reviews, technical assistance, and drinking water surveillance. Cash fund sources include the Water Quality Control Fund, the Sludge Management Program Fund, the Industrial Pretreatment Fund, and the Drinking Water Fund. Reappropriated funds come from transfers from the Department of Agriculture and the Department of Local Affairs.

**(A) Clean Water Program [New subdivision proposed]**

Personal Services [New line item proposed]				7,054,545	6,331,731	
FTE				91.2	80.0	DI #3-Reorg;
General Fund				1,059,436	540,981	SWNPDI-IT Staff;
FTE				16.2	8.4	SWNPBA-PERA
Cash Funds				3,576,777	3,381,954	
FTE				42.9	40.2	
RF/CFE				38,957	38,957	
FTE				0.5	0.5	
Federal Funds				2,379,375	2,369,839	
FTE				31.6	30.9	
Operating Expenses [New line item proposed]				849,341	796,985	DI #3-Reorg
General Fund				522,747	503,913	
Cash Funds				116,806	113,347	
RF/CFE				1,675	1,675	
Federal Funds				208,113	178,050	
Grants and Contracts [New line item proposed]				2,253,652	0	DI #3-Reorg
Cash Funds g/				117,196	0	
Federal Funds				2,136,456	0	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
<b>SUBTOTAL - Clean Water Program</b>				10,157,538	7,128,716	
FTE				<u>91.2</u>	<u>80.0</u>	
General Fund				1,582,183	1,044,894	
FTE				16.2	8.4	
Cash Funds				3,810,779	3,495,301	
FTE				42.9	40.2	
RF/CFE				40,632	40,632	
FTE				0.5	0.5	
Federal Funds				4,723,944	2,547,889	
FTE				31.6	30.9	
<b>(A) Administration [Proposed for consolidation into above new subdivision]</b>						
Personal Services [Proposed for consolidation into above line item]	853,149	940,349	912,115 S/	0	722,339	DI #3-Reorg;
FTE	<u>13.8</u>	<u>10.1</u>	<u>13.8</u>	<u>0.0</u>	<u>11.2</u>	SWNPDI-IT Staff;
General Fund	467,328	506,837	515,630	0	518,455	SWNPBA-PERA
FTE	7.8	7.5	7.8	0.0	7.8	
Cash Funds	173,844	183,346	189,335	0	190,364	
FTE	2.7	2.6	2.7	0.0	2.7	
Federal Funds	211,977	250,166	207,150	0	13,520	
FTE	3.3	0.0	3.3	0.0	0.7	
Operating Expenses [Proposed for consolidation into above line item]	<u>50,709</u>	<u>47,831</u>	<u>52,356</u>	<u>0</u>	<u>52,356</u>	DI #3-Reorg
General Fund	18,834	18,834	18,834	0	18,834	
Cash Funds	3,459	3,459	3,459	0	3,459	
Federal Funds	28,416	25,538	30,063	0	30,063	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
Capital Outlay	44,970	0	0	0	0	
General Fund	0	0	0	0	0	
Cash Funds	33,525	0	0	0	0	
RF/CFE	11,445	0	0	0	0	
Indirect Cost Assessment [Proposed as its own subdivision]	<u>1,861,796</u>	<u>2,041,517</u>	<u>1,958,088</u>	<u>1,900,340</u>	<u>Pending</u>	DI #3-Reorg
Cash Funds	607,778	672,027	906,888	1,000,180		
RF/CFE	22,231	0	0	0		
Federal Funds	1,231,787	1,369,490	1,051,200	900,160		
<b>SUBTOTAL - Administration</b>	<b>2,810,624</b>	<b>3,029,697</b>	<b>2,922,559</b>	<b>1,900,340</b>	<b>774,695</b>	
FTE	<u>13.8</u>	<u>10.1</u>	<u>13.8</u>	<u>0.0</u>	<u>11.2</u>	
General Fund	486,162	525,671	534,464	0	537,289	
FTE	7.8	7.5	7.8	0.0	7.8	
Cash Funds	818,606	858,832	1,099,682	1,000,180	193,823	
FTE	2.7	2.6	2.7	0.0	2.7	
RF/CFE	33,676	0	0	0	0	
Federal Funds	1,472,180	1,645,194	1,288,413	900,160	43,583	
FTE	3.3	0.0	3.3	0.0	0.7	

**(B) Watershed Assessment, Outreach, and Assistance [Proposed for consolidation into above new subdivision]**

Personal Services [Proposed for consolidation into above line item]	2,539,193	2,719,489	2,856,351 S/	0	0	DI #3-Reorg;
FTE	<u>26.5</u>	<u>32.3</u>	<u>39.6</u>	<u>0.0</u>	<u>0.0</u>	SWNPDI-IT Staff;
General Fund	293,047	313,857	344,517	0	0	SWNPBA-PERA
FTE	5.4	5.4	5.4	0.0	0.0	
Cash Funds	298,087	432,941	436,206	0	0	
FTE	3.3	5.4	5.4	0.0	0.0	
RF/CFE	149,831	38,957	38,957	0	0	
FTE	2.6	0.5	0.5	0.0	0.0	
Federal Funds	1,798,228	1,933,734	2,036,671	0	0	
FTE	15.2	21.0	28.3	0.0	0.0	



	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
Operating Expenses [Proposed for consolidation into above line item]	663,275	671,647	525,768	0	0	DI #3-Reorg
General Fund	376,207	358,384	376,207	0	0	
Cash Funds	0	1,000	1,000	0	0	
RF/CFE	1,625	1,675	1,675	0	0	
Federal Funds	285,443	310,588	146,886	0	0	
Local Grants and Contracts - FF	1,821,460	1,755,721	2,136,456	0	2,136,456	DI #3-Reorg
Water Quality Improvement - CF	54,348	102,332	117,196	0	117,196	DI #3-Reorg
<b>SUBTOTAL - Watershed Assessment, Outreach, and Assistance</b>						
	5,078,276	5,249,189	5,635,771	0	2,253,652	
FTE	26.5	32.3	39.6	0.0	0.0	
General Fund	669,254	672,241	720,724	0	0	
FTE	5.4	5.4	5.4	0.0	0.0	
Cash Funds	352,435	536,273	554,402	0	117,196	
FTE	3.3	5.4	5.4	0.0	0.0	
RF/CFE	151,456	40,632	40,632	0	0	
FTE	2.6	0.5	0.5	0.0	0.0	
Federal Funds	3,905,131	4,000,043	4,320,013	0	2,136,456	
FTE	15.2	21.0	28.3	0.0	0.0	
<b>(C) Permitting and Compliance Assurance [Proposed for consolidation into above new subdivision]</b>						
Personal Services [Proposed for consolidation into above line item]	3,877,809	4,132,113	3,645,861	S/ 0	0	DI #1-Water Quality;
FTE	44.2	46.6	44.5	0.0	0.0	DI #3-Reorg;
General Fund	174,917	170,398	193,352	0	0	SWNPDI-IT Staff;
FTE	3.0	3.0	3.0	0.0	0.0	SWNPBA-PERA
Cash Funds	2,689,178	2,869,855	3,038,108	c/ 0	0	
FTE	34.3	33.5	37.8	0.0	0.0	
RF/CFE	232,687	0	0	0	0	
FTE	3.0	0.0	0.0	0.0	0.0	
Federal Funds	781,027	1,091,860	414,401	0	0	
FTE	3.9	10.1	3.7	0.0	0.0	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
Operating Expenses [Proposed for consolidation into above line item]	423,818	339,137	383,866	0	0	DI #3-Reorg
General Fund	227,706	199,343	227,706	0	0	
Cash Funds	113,769	124,996	124,996	0	0	
RF/CFE	11,227	0	0	0	0	
Federal Funds	71,116	14,798	31,164	0	0	
<b>SUBTOTAL - Permitting and Compliance</b>						
Assurance	4,301,627	4,471,250	4,029,727	0	0	
FTE	44.2	46.6	44.5	0.0	0.0	
General Fund	402,623	369,741	421,058	0	0	
FTE	3.0	3.0	3.0	0.0	0.0	
Cash Funds	2,802,947	2,994,851	3,163,104	0	0	
FTE	34.3	33.5	37.8	0.0	0.0	
RF/CFE	243,914	0	0	0	0	
FTE	3.0	0.0	0.0	0.0	0.0	
Federal Funds	852,143	1,106,658	445,565	0	0	
FTE	3.9	10.1	3.7	0.0	0.0	

c/ For FY 2009-10, includes an increase of \$29,853 cash funds pursuant to H.B. 09-1330.

**(D) Drinking Water Program**

Personal Services	4,787,416	5,419,954	3,173,958 S/	3,013,435	3,018,748	SWNPDI-IT Staff; SWNPBA-PERA
FTE	53.4	55.9	44.9	42.7	42.7	
General Fund	838,531	853,748	864,438	868,755	868,755	
FTE	15.1	12.7	15.1	15.1	15.1	
Cash Funds	337,867	313,281	338,823	340,521	340,521	
FTE	3.5	3.5	3.5	3.5	3.5	
Federal Funds	3,611,018	4,252,925	1,970,697	1,804,159	1,809,472	
FTE	34.8	39.7	26.3	24.1	24.1	
Operating Expenses	275,809	1,131,378	213,583	213,583	213,583	
General Fund	94,887	75,873	94,887	94,887	94,887	
Cash Funds	1,750	1,750	1,750	1,750	1,750	
Federal Funds	179,172	1,053,755	116,946	116,946	116,946	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
<b>SUBTOTAL - Drinking Water Program</b>	5,063,225	6,551,332	3,387,541	3,227,018	3,232,331	
FTE	<u>53.4</u>	<u>55.9</u>	<u>44.9</u>	<u>42.7</u>	<u>42.7</u>	
General Fund	933,418	929,621	959,325	963,642	963,642	
FTE	15.1	12.7	15.1	15.1	15.1	
Cash Funds	339,617	315,031	340,573	342,271	342,271	
FTE	3.5	3.5	3.5	3.5	3.5	
Federal Funds	3,790,190	5,306,680	2,087,643	1,921,105	1,926,418	
FTE	34.8	39.7	26.3	24.1	24.1	
<b>TOTAL - (6) WATER QUALITY CONTROL DIVISION</b>	17,253,752	19,301,468	15,975,598	15,284,896	13,389,394	
FTE	<u>137.9</u>	<u>144.9</u>	<u>142.8</u>	<u>133.9</u>	<u>133.9</u>	
General Fund	2,491,457	2,497,274	2,635,571	2,545,825	2,545,825	
FTE	31.3	28.6	31.3	31.3	31.3	
Cash Funds	4,313,605	4,704,987	5,157,761	5,153,230	4,148,591	
FTE	43.8	45.0	49.4	46.4	46.4	
RF/CFE	429,046	40,632	40,632	40,632	40,632	
FTE	5.6	0.5	0.5	0.5	0.5	
Federal Funds	10,019,644	12,058,575	8,141,634	7,545,209	6,654,346	
FTE	57.2	70.8	61.6	55.7	55.7	

**(7) HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION**

The Division enforces the solid and hazardous waste regulations adopted by the Hazardous Waste Commission, providing for cradle-to-grave management of hazardous waste in Colorado to ensure that it does not contaminate the environment or endanger public health. The primary sources of cash funds are the Hazardous Waste Service Fund, the Hazardous Waste Commission Fund, the Hazardous Substance Response Fund, the Radiation Control Fund, the Solid Waste Management Fund, and the Waste Tire Recycling Development Cash Fund. Reappropriated funds come from transfers from the Department of Transportation and the Department of Local Affairs.

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Approp.	Request	Staff Recomm.	Change Requests
<b>(A) Administration</b>						
Program Costs	179,093	160,910	318,207 S/	316,965	316,965	SWNPBA-PERA
FTE	<u>1.2</u>	<u>1.4</u>	<u>3.4</u>	<u>3.4</u>	<u>3.4</u>	
Cash Funds	179,093	160,910	295,741	254,499	254,499	
FTE	1.2	1.4	3.1	3.1	3.1	
RF/CFE	0	0	0	40,000	40,000	
Federal Funds	0	0	22,466	22,466	22,466	
FTE	0.0	0.0	0.3	0.3	0.3	
Legal Services	1,230,439	405,597	463,210	463,210	463,210	
hours	<u>17,082</u>	<u>5,401</u>	<u>6,145</u>	<u>6,145</u>	<u>6,145</u>	
Cash Funds	1,074,410	269,310	296,934	296,934	296,934	
RF/CFE	65	354	525	525	525	
Federal Funds	155,964	135,933	165,751	165,751	165,751	
Capital Outlay - CF	0	0	0	0	0	
Indirect Cost Assessment	<u>1,747,412</u>	<u>1,722,847</u>	<u>2,053,931</u>	<u>1,886,576</u>	<u>Pending</u>	
Cash Funds	826,141	808,835	1,250,596	1,210,376		
RF/CFE	34,890	30,234	36,000	36,000		
Federal Funds	886,381	883,778	767,335	640,200		
<b>SUBTOTAL - Administration</b>	<b>3,156,944</b>	<b>2,289,354</b>	<b>2,835,348</b>	<b>2,666,751</b>	<b>780,175</b>	
FTE	<u>1.2</u>	<u>1.4</u>	<u>3.4</u>	<u>3.4</u>	<u>3.4</u>	
Cash Funds	2,079,644	1,239,055	1,843,271	1,761,809	551,433	
FTE	1.2	1.4	3.1	3.1	3.1	
RF/CFE	34,955	30,588	36,525	76,525	40,525	
Federal Funds	1,042,345	1,019,711	955,552	828,417	188,217	
FTE	0.0	0.0	0.3	0.3	0.3	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
<b>(B) Hazardous Waste Control Program</b>						
Personal Services	3,258,539	3,542,618	3,765,096 S/	3,738,450	3,740,323	SWNPDI-IT Staff; SWNPBA-PERA
FTE	<u>34.6</u>	<u>34.7</u>	<u>42.7</u>	<u>42.0</u>	<u>42.0</u>	
Cash Funds	1,238,637	1,716,790	2,169,208	2,155,698	2,156,703	
FTE	15.3	17.6	22.1	21.8	21.8	
Federal Funds	2,019,902	1,825,828	1,595,888	1,582,752	1,583,620	
FTE	19.3	17.1	20.6	20.2	20.2	
Operating Expenses	<u>144,703</u>	<u>204,573</u>	<u>229,006</u>	<u>229,006</u>	<u>229,006</u>	
Cash Funds	45,663	78,132	78,948	78,948	78,948	
Federal Funds	99,040	126,441	150,058	150,058	150,058	
<b>SUBTOTAL - Hazardous Waste Control</b>						
FTE	<u>34.6</u>	<u>34.7</u>	<u>42.7</u>	<u>42.0</u>	<u>42.0</u>	
Cash Funds	1,284,300	1,794,922	2,248,156	2,234,646	2,235,651	
FTE	15.3	17.6	22.1	21.8	21.8	
Federal Funds	2,118,942	1,952,269	1,745,946	1,732,810	1,733,678	
FTE	19.3	17.1	20.6	20.2	20.2	
<b>(C) Solid Waste Control Program</b>						
Program Costs - CF	1,351,494	1,555,260	2,376,395 S/	2,336,489	2,337,399	SWNPDI-IT Staff; SWNPBA-PERA
FTE	12.5	15.8	20.8 d/	20.1	20.1	
d/ For FY 2009-10, includes \$28,643 and 0.4 FTE pursuant to H.B. 09-1282.						
<b>(D) Uranium Mill Tailings Remedial Action Program</b>						
Program Costs	210,008	207,500	235,053 S/	233,367	233,489	SWNPDI-IT Staff; SWNPBA-PERA
FTE	<u>2.7</u>	<u>2.5</u>	<u>3.1</u>	<u>3.1</u>	<u>3.1</u>	
RF/CFE	185,224	184,492	190,525	188,970	189,078	
FTE	2.5	2.3	2.6	2.6	2.6	
Federal Funds	24,784	23,008	44,528	44,397	44,411	
FTE	0.2	0.2	0.5	0.5	0.5	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
<b>(E) Contaminated Site Cleanups</b>						
Personal Services	3,916,566	3,598,275	4,498,854 S/	4,473,074	4,474,507	SWNPDI-IT Staff; SWNPBA-PERA
FTE	<u>30.5</u>	<u>29.1</u>	<u>38.4</u>	<u>37.8</u>	<u>37.8</u>	
Cash Funds	679,816	715,358	1,173,774	1,182,185	1,182,523	
FTE	8.0	6.7	13.5	13.4	13.4	
RF/CFE	27,127	0	0	0	0	
Federal Funds	3,209,623	2,882,917	3,325,080	3,290,889	3,291,984	
FTE	22.5	22.4	24.9	24.4	24.4	
Operating Expenses	<u>298,789</u>	<u>637,847</u>	<u>222,991</u>	<u>222,991</u>	<u>222,991</u>	
Cash Funds	32,202	28,048	52,082	53,382	53,382	
RF/CFE	930	0	0	0	0	
Federal Funds	265,657	609,799	170,909	169,609	169,609	
Contaminated Sites Operation & Maintenance	<u>1,058,219</u>	<u>1,285,107</u>	<u>2,037,864</u>	<u>2,022,864</u>	<u>2,022,864</u>	BA #3-Tech Correct
Cash Funds	117,516	152,984	1,140,186	1,559,186	1,559,186	
Federal Funds	940,703	1,132,123	897,678	463,678	463,678	
Legal Services for CERCLA						
Contract Oversight-Related Costs	<u>425,000</u>	<u>425,000</u>	<u>520,000</u> S/	<u>425,000</u>	<u>425,000</u>	
Cash Funds	425,000	425,000	500,000	425,000	425,000	
Federal Funds	0	0	20,000	0	0	
Hours	N/A	N/A	N/A	N/A	N/A	
<b>SUBTOTAL - Contaminated Site Cleanups</b>	<b>5,698,574</b>	<b>5,946,229</b>	<b>7,279,709</b>	<b>7,143,929</b>	<b>7,145,362</b>	
FTE	<u>30.5</u>	<u>29.1</u>	<u>38.4</u>	<u>37.8</u>	<u>37.8</u>	
Cash Funds	1,254,534	1,321,390	2,866,042	3,219,753	3,220,091	
FTE	8.0	6.7	13.5	13.4	13.4	
RF/CFE	28,057.0	0.0	0	0	0	
Federal Funds	4,415,983	4,624,839	4,413,667	3,924,176	3,925,271	
FTE	22.5	22.4	24.9	24.4	24.4	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
<b>(F) Rocky Flats Agreement</b>						
Program Costs - FF	129,087	181,687	241,414 S/	240,417	240,490	SWNPDI-IT Staff; SWNPBA-PERA
FTE	1.0	1.2	2.3	2.3	2.3	
Legal Services - FF	10,012	18,771	10,478	10,478	10,478	
Hours	139	0	139	139	139	
<b>SUBTOTAL - Rocky Flats Agreement - FF</b>						
FTE	1.0	1.2	2.3	2.3	2.3	
<b>(G) Radiation Management</b>						
Personal Services	1,760,669	1,878,940	1,955,082 S/	1,939,544	1,940,738	SWNPDI-IT Staff; SWNPBA-PERA
FTE	<u>21.5</u>	<u>21.5</u>	<u>23.5</u>	<u>23.1</u>	<u>23.1</u>	
Cash Funds	1,553,580	1,625,527	1,781,493	1,767,574	1,768,605	
FTE	19.0	18.7	21.2	20.9	20.9	
RF/CFE	0	0	0	0	0	
Federal Funds	207,089	253,413	173,589	171,970	172,133	
FTE	2.5	2.8	2.3	2.2	2.2	
Operating Expenses	<u>267,965</u>	<u>260,032</u>	<u>265,981</u>	<u>255,525</u>	<u>255,525</u>	
Cash Funds	71,766	69,360	108,495	98,039	98,039	
Federal Funds	196,199	190,672	157,486	157,486	157,486	
<b>SUBTOTAL - Radiation Management</b>						
FTE	<u>21.5</u>	<u>21.5</u>	<u>23.5</u>	<u>23.1</u>	<u>23.1</u>	
Cash Funds	1,625,346	1,694,887	1,889,988	1,865,613	1,866,644	
FTE	19.0	18.7	21.2	20.9	20.9	
RF/CFE	0	0	0	0	0	
Federal Funds	403,288	444,085	331,075	329,456	329,619	
FTE	2.5	2.8	2.3	2.2	2.2	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Approp.	Request	Staff Recomm.	Change Requests
<b>SUBTOTAL - (7) HAZARDOUS MATERIALS</b>						
<b>WASTE MANAGEMENT DIVISION</b>	15,987,995	16,084,964	19,193,562	18,793,956	16,912,985	
FTE	<u>104.0</u>	<u>106.2</u>	<u>134.2</u>	<u>131.8</u>	<u>131.8</u>	
Cash Funds	7,595,318	7,605,514	11,223,852	11,418,310	10,211,218	
FTE	56.0	60.2	80.7	79.3	79.3	
RF/CFE	248,236	215,080	227,050	265,495	229,603	
FTE	2.5	2.3	2.6	2.6	2.6	
Federal Funds	8,144,441	8,264,370	7,742,660	7,110,151	6,472,164	
FTE	45.5	43.7	50.9	49.9	49.9	

**(8) CONSUMER PROTECTION**

The Consumer Protection Division is responsible for programs designed to protect the public from disease and injury through identification and control of environmental factors in food, drugs, medical devices, institutions, consumer products, and insect and rodent vectors affecting public health. The primary sources of cash funds are the Food Protection Cash Fund, the Wholesale Food Manufacturing and Storage Protection Fund, and the Artificial Tanning Device Education Fund. Reappropriated funds come from transfers from the Department of Corrections and the Department of Human Services.

Personal Services	2,006,460	1,983,959	2,254,369	S/	2,332,255	2,332,255	SWNPBA-PERA
FTE	<u>21.2</u>	<u>23.5</u>	<u>29.6</u>		<u>30.5</u>	<u>30.5</u>	
General Fund	1,087,037	1,104,549	1,132,936		1,137,807	1,137,807	
FTE	13.0	12.7	16.2		16.2	16.2	
Cash Funds	575,701	587,633	775,360	e/	846,404	846,404	
FTE	5.0	7.1	9.0		9.9	9.9	
RF/CFE	64,360	78,751	79,510		79,860	79,860	
FTE	1.2	1.1	2.0		2.0	2.0	
Federal Funds	279,362	213,026	266,563		268,184	268,184	
FTE	2.0	2.6	2.4		2.4	2.4	



	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Approp.	Request	Staff Recomm.	
Operating Expenses	<u>130,939</u>	<u>132,402</u>	<u>178,951</u>	<u>166,055</u>	<u>166,055</u>	
General Fund	29,637	29,637	29,637	29,637	29,637	
Cash Funds	50,278	56,459	111,054	f/ 98,158	98,158	
RF/CFE	7,415	8,903	9,708	9,708	9,708	
Federal Funds	43,609	37,403	28,552	28,552	28,552	
Capital Outlay - GF	0	0	0	0	0	
Indirect Cost Assessment	<u>152,835</u>	<u>137,145</u>	<u>193,882</u>	<u>222,281</u>	<u>Pending</u>	
Cash Funds	102,221	91,379	145,168	164,458		
RF/CFE	0	45,766	7,000	7,000		
Federal Funds	50,614	0	41,714	50,823		
<b>TOTAL - (8) CONSUMER PROTECTION</b>						
<b>DIVISION</b>	2,290,234	2,253,506	2,627,202	2,720,591	2,498,310	
FTE	<u>21.2</u>	<u>23.5</u>	<u>29.6</u>	<u>30.5</u>	<u>30.5</u>	
General Fund	1,116,674	1,134,186	1,162,573	1,167,444	1,167,444	
FTE	13.0	12.7	16.2	16.2	16.2	
Cash Funds	728,200	735,471	1,031,582	1,109,020	944,562	
FTE	5.0	7.1	9.0	9.9	9.9	
RF/CFE	71,775	133,420	96,218	96,568	89,568	
FTE	1.2	1.1	2.0	2.0	2.0	
Federal Funds	373,585	250,429	336,829	347,559	296,736	
FTE	2.0	2.6	2.4	2.4	2.4	

e/ For FY 2009-10, includes increases of \$63,361 and 0.9 FTE pursuant to S.B. 09-223 and \$19,903 and 0.3 FTE pursuant to H.B. 09-1320.

f/ For FY 2009-10, includes increases of \$51,796 pursuant to S.B. 09-223 and \$5,248 pursuant to H.B. 09-1320.

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Approp.	Request	Staff Recomm.	Change Requests
<b>TOTAL -</b>						
<b>ENVIRONMENTAL DIVISIONS</b>	53,967,449	58,693,406	60,526,230	59,481,860	52,848,142	
FTE	<u>415.4</u>	<u>436.8</u>	<u>482.8</u>	<u>472.2</u>	<u>471.2</u>	
General Fund	3,608,131	3,631,460	3,798,144	3,813,269	3,813,269	
FTE	44.3	41.3	47.5	47.5	47.5	
Cash Funds	21,183,808	29,708,086	36,163,832	36,576,747	31,918,130	
FTE	177.4	239.8	271.0	270.6	269.6	
RF/CFE	6,460,494	389,132	363,900	402,695	359,803	
FTE	56.4	3.9	5.1	5.1	5.1	
Federal Funds	22,715,016	24,964,728	20,200,354	18,689,149	16,756,940	
FTE	137.3	151.8	159.2	149.0	149.0	

**DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT  
ENVIRONMENTAL DIVISIONS ONLY  
FY 2010-11 FIGURE SETTING**

JBC WORKING DOCUMENT  
Staff Recommendation Does Not Represent Committee Decision

**DI #3: LONG BILL REALIGNMENT**

*Request:* Under decision item #3, the Department is requesting a reorganization of the Long Bill with impacts to the administration and health programs (presented previously by another analyst) and to the environmental programs included in this document. For the environmental divisions, the requested realignment affects the Special Environmental Programs within the Administration and Support Division, the Air Quality Control Division, and the Water Quality Control Division.

*Staff Analysis and Recommendations:* The Department proposes the following changes to the current Long Bill structure. Staff has included the staff recommendation for each change. The table starting on page 29 shows the existing Long Bill structure, the Department's proposal, and staff's recommendation.

1. The existing Long Bill includes four programs within the Administration and Support, Special Environmental Programs subdivision: Environmental Leadership and Pollution Prevention; Housed Commercial Swine Feeding Operations (HCSFO) Program; Recycling Resources Economic Opportunity Program; and Advanced Technology Research Grants. The Department's proposal makes the following modifications to the Special Environmental Programs:
  - a. *Request:* Renames Environmental Leadership and Pollution Prevention as PROGRAM COSTS and moves \$85,303 cash funds and 0.8 FTE from the Administration and Support, Administration, Personal Services line item. The request transfers the Air Ombudsman program, which assists businesses with compliance with air permitting requirements and evaluates the Air Quality Control Division's impact on small businesses, from Administration to the newly named line item. Statute (Section 25-7-109.2 (5), C.R.S.) requires the Department to conduct the ombudsman program in service of small business stationary sources and *requires the relevant personnel to be outside the Air Quality Control Division.*
    - i. *Recommendation:* **Staff recommends approval of the proposed change.** Statute requires the Department to conduct the air ombudsman program and requires it to be outside of the Air Division. The program fits logically within the Special Environmental Programs and within this line item.

- b. *Request:* Renames the Housed Commercial Swine Feeding Operations (HCSFO) line item as ANIMAL FEEDING OPERATIONS and transfers funding and FTE associated with feeding operations regulation from the Water Quality Control Division to the newly named line item. The proposed transfer includes \$100,000 General Fund and \$12,649 cash funds from the Permitting and Compliance Assurance, Operating Expenses line item and \$302,964 cash funds and 3.0 FTE from the Permitting and Compliance Assurance, Personal Services line item. The proposal would consolidate appropriations for programs affecting animal feeding operations and more accurately reflect the existing structure of the programs.
    - i. *Recommendation: Staff recommends approval of the proposed change.* Staff agrees that it makes sense to consolidate the animal feeding operations programs and that it makes sense to do so in the Special Environmental Programs because of the cross-divisional nature of the work.
  - c. *Request:* Creates a new pair of line items within the Special Environmental Programs entitled, OIL AND GAS CONSULTATION, PERSONAL SERVICES and OIL AND GAS CONSULTATION, OPERATING EXPENSES. The proposal would transfer consultation staff and resources from the Air Quality Control Division, Stationary Sources program to the newly created line items, including \$175,164 cash funds and 2.0 FTE for personal services and \$19,577 cash funds for operating expenses.
    - i. *Recommendation: Staff recommends approval of the proposed structural change.* By design, the consultation staff work across divisions and thus fit within the Special Environmental Programs. In addition, the proposed transfer would make the Department's consultation staff more visible as the General Assembly considers the Department's role in the oil and gas permitting process. Staff is recommending a reduction to consultation staffing levels for FY 2010-11 (see the discussion for the new line items below) but the recommendation would still reduce the Air Quality Control Division's appropriation by the requested amount and simply appropriate a reduced amount to the new line items.
2. *Request:* The proposal renames the Air Quality Control Division the AIR POLLUTION CONTROL DIVISION, to make the name in the Long Bill consistent with the name of the Division elsewhere.
- a. *Recommendation: Staff recommends approval of the proposed change.* The Department's website identifies the Division as the Air Pollution Control Division. Division employees have Air Pollution Control Division on their business cards. In an informal search of the statutes, staff finds the Division discussed under both names although there appear to be more instances of the requested name than the current Long Bill name. While the Committee and other members expressed

concerns about the proposed name at the briefing and the hearing, it appears to staff that Air Pollution Control Division is already the more common name for the Division.

3. *Request:* The proposal Consolidates three existing Water Quality Control Division subdivisions (Administration; Watershed Assessment, Outreach, and Assistance; and Permitting and Compliance Assurance) into a single subdivision called the CLEAN WATER PROGRAM. Specific changes include:
  - a. Merge the three existing personal services line items into a single personal services line.
    - i. ***Recommendation:* Staff recommends that the Committee partially approve the request. Staff recommends consolidation of the Watershed Assessment, Outreach, and Assistance and the Permitting and Compliance Assurance personal services line items.** Merging these two subdivisions will provide the Department increased flexibility to adapt to changing needs (for example by replacing a Watershed Program FTE with a permitting FTE if appropriate). That flexibility may be particularly helpful in light of the Division's stated staffing needs and the lack of available resources to meet them. **However, staff recommends maintaining Administration as a separate subdivision.** Because the Administration staff oversee and serve both the proposed Clean Water Program and the Drinking Water Program, staff recommends maintaining a separate Administration line item rather than embedding the management staff within the operating lines. **Based on discussions with the Department, it may be necessary to adjust the Administration and Drinking Water appropriations to fully reflect expenses for division management. Thus, staff asks permission to work with the Department to adjust the Administration and Drinking Water appropriations accordingly (with zero net change to the Division's appropriation).**
  - b. Merge the three existing operating expenses line items into a single operating expenses line item.
    - i. ***Recommendation:* As above, staff recommends that the Committee partially approve the request. Staff recommends consolidation of the Watershed Assessment, Outreach, and Assistance and the Permitting and Compliance Assurance operating expenses line items but recommends maintaining a separate line item for Administration.**

- c. Merge two Watershed Assessment, Outreach and Assistance line items (Local Grants and Contracts and Water Quality Improvement) into a single GRANTS AND CONTRACTS line item.
  - i. *Recommendation: Staff recommends that the Committee deny the request.* The funds supporting these lines are not interchangeable and the proposed consolidation would offer no additional flexibility to the Department as the affected programs would have to continue to operate independently anyway. **Staff does recommend housing the two affected line items in the newly proposed subdivision (Clean Water Program).**

The following table provides a side-by-side comparison of the environmental divisions' current Long Bill structure, the request, and staff's recommendation. The transfers are budget neutral, resulting in a net \$0 and 0.0 FTE change in appropriations to the Department as a whole although the environmental divisions' share increases as a result of the proposed transfer from Administration and Support associated with the Air Ombudsman position.

**Decision Item #3: Realignment Request and Staff Recommendation**

<b>FY 2009-10 Long Bill Format</b>	<b>Requested FY 2010-11 Format</b>	<b>Staff Recommended Format</b>
<b>(1) ADMINISTRATION AND SUPPORT</b>	<b>(1) ADMINISTRATION AND SUPPORT</b>	<b>(1) ADMINISTRATION AND SUPPORT</b>
<b>( C) Special Environmental Programs</b>	<b>( C) Special Environmental Programs</b>	<b>( C) Special Environmental Programs</b>
Environmental Leadership and Pollution Prevention	Program Costs	Program Costs (approve request)
Housed Commercial Swine Feeding Operations Program	Animal Feeding Operations	Animal Feeding Operations (approve request)
<b>New Long Bill Group</b>	<b>Oil and Gas Consultation</b>	<b>Oil and Gas Consultation (approve request)</b>
	Personal Services	Personal Services (approve request)
	Operating Expenses	Operating Expenses (approve request)
<b>(5) AIR QUALITY CONTROL DIVISION</b>	<b>(5) AIR POLLUTION CONTROL DIVISION</b>	<b>(5) AIR POLLUTION CONTROL DIVISION (approve request)</b>
<b>(6) WATER QUALITY CONTROL DIVISION</b>	<b>(6) WATER QUALITY CONTROL DIVISION</b>	<b>(6) WATER QUALITY CONTROL DIVISION (partially approve request)</b>
(A) Administration	(A) Clean Water Program	(A) Administration
Personal Services	Personal Services	Personal Services
Operating Expenses	Operating Expenses	Operating Expenses
Indirect Cost Assessment	Grants and Contracts	Indirect Cost Assessment
(B) Watershed Assessment, Outreach, and Assistance	(B) Drinking Water Program	(B) Clean Water Program
Personal Services	Personal Services	Personal Services
Operating Expenses	Operating Expenses	Operating Expenses
Local Grants and Contracts		Local Grants and Contracts
Water Quality Improvement	( C) Indirect Cost Assessment	Water Quality Improvement
( C) Permitting and Compliance Assurance		(C) Drinking Water Program

Personal Services  
Operating Expenses

Personal Services  
Operating Expenses

(D) Drinking Water Program

Personal Services  
Operating Expenses



**(1) ADMINISTRATION AND SUPPORT**

**(B) Special Environmental Programs**

**Environmental Leadership and Pollution Prevention (Proposed new line item title: PROGRAM COSTS)**

The Environmental Leadership Program provides financial incentives for companies that demonstrate a commitment to the use of pollution prevention strategies and compliance with environmental regulations. The Pollution Prevention Program issues grants to entities attempting to reduce pollution created by hazardous substances. The Pollution Prevention Program also operates a technical library, provides consumer education on pollution prevention for schools and industry, and offers a variety of training programs for both state and local inspectors. The FTE in this program line item are entirely federally funded. As discussed above, under Decision Item #3 (Long Bill Realignment), the proposed PROGRAM COSTS line item would also include cash funds and FTE previously appropriated under Administration and Support, Administration, Personal Services. The proposal would transfer the Air Ombudsman program, which assists business owners with compliance with air permitting requirements and evaluates the Air Quality Control Division's work with - and impact on - small businesses.

Staffing levels for this program are summarized in the table below.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Administrative Support Staff	1.0	1.0	1.0	1.0
Environ. Protection Specialist	5.0	5.0	5.8	5.8
Management	0.2	0.0	0.0	0.0
Physical Scientist	1.0	1.0	1.0	1.0
Staff / General Professional	1.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>8.2</b>	<b>7.0</b>	<b>7.8</b>	<b>7.8</b>

*Request:* For the base, the Department requests continuation level funding according to OSPB's common policies. The following state-wide requests impact this line item:

- restoring one-time savings associated with the FY 2009-10 statewide furloughs; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

Under decision item #3 (Long Bill Realignment, discussed above) the Department requests an increase to this line item of \$85,303 cash funds and 0.8 FTE from the Administration and Support, Administration, Personal Services line item.

*Recommendation:* **Staff recommends the request, including the transfer of the Air Ombudsman position and the renaming of the line item, with the base calculated according to the JBC's**

common policies with adjustments for the state-wide requests. The table below shows the components of staff's recommendation.

<b>Summary of (1) Administration and Support, (C) Special Environmental Programs Environmental Leadership and Pollution Prevention (renamed Program Costs) Recommendation</b>						
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
FY 2009-10 Long Bill	\$879,035	\$0	\$174,176	\$0	\$704,859	7.0
FY 2009-10 Supplemental	(20,504)	0	(1,791)	0	(18,713)	0.0
Reverse FY 2009-10 Supplemental	20,504	0	1,791	0	18,713	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
DI #3 (Long Bill Realignment)	85,303	0	85,303	0	0	0.8
Reduction in employer's PERA contribution (2.5%)	(18,859)	0	(3,655)	0	(15,204)	0.0
<b>Total Recommendation</b>	<b>\$945,479</b>	<b>\$0</b>	<b>\$255,824</b>	<b>\$0</b>	<b>\$689,655</b>	<b>7.8</b>

**Housed Commercial Swine Feeding Operations (HCSFO) Program (Proposed new line item title: ANIMAL FEEDING OPERATIONS (AFO) PROGRAM)**

The Housed Commercial Swine Feeding Operations Program began in FY 2006-07 with the passage of S.B. 06-117 (Kester/Gardner). The bill allowed wastewater vessels and impoundments used in a housed commercial swine operation to be operated with technologies or practices to minimize the emission of odorous gases so long as those technologies are at least as effective as covers. Previously, waste vessels were required be covered. The bill also established an annual fee for housed commercial swine feeding operations to offset the direct and indirect costs of enforcement, compliance, and regulation of air quality controls, as well as legal services and payments to local health departments for enforcement activities. The source of cash funds is the Housed Commercial Swine Feeding Operation Fund. The Department's proposed Long Bill realignment (decision item #3, discussed above) would transfer funds and FTE associated with confined animal feeding operations (CAFOs) from the Water Quality Control Division to this line item to consolidate swine feeding operations monitoring and confined feeding operations permits and assistance work into a single program.

Staffing levels for this program are summarized in the table below.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Environ. Protection Specialist	0.5	0.5	3.5	3.5
<b>TOTAL</b>	<b>0.5</b>	<b>0.5</b>	<b>3.5</b>	<b>3.5</b>

*Request:* As discussed above (with Decision Item #3), the Department is proposing to move funds and FTE from the Water Quality Control Division associated with confined animal feeding operations to this line item and to rename the line item. For the base, the Department requests continuation level funding according to OSPB's common policies. The following state-wide requests impact this line item:

- restoring one-time savings associated with the FY 2009-10 statewide furloughs; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Recommendation:* Staff recommends the request, including the transfer of funds and FTE from the Water Quality Control Division and the renaming of the line item, with the base calculated according to the JBC's common policies and with adjustments for state-wide requests. The table below shows the components of staff's recommendation.

Summary of (1) Administration and Support, (C) Special Environmental Programs HCSFO Program Cost Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
FY 2009-10 Long Bill	\$59,378	\$0	\$59,378	\$0	\$0	0.5
FY 2009-10 Supplemental	(802)	0	(802)	0	0	0.0
Reverse FY 2009-10 Supplemental	802	0	802	0	0	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
DI #3 (Long Bill Realignment)	415,613	100,000	315,613	0	0	3.0
Reduction in employer's PERA contribution (2.5%)	(652)	0	(652)	0	0	0.0
<b>Total Recommendation</b>	<b>\$474,339</b>	<b>\$100,000</b>	<b>\$374,339</b>	<b>\$0</b>	<b>\$0</b>	<b>3.5</b>

### **Recycling Resources Economic Opportunity Program**

This program is a pollution prevention effort that is administered and overseen by the Pollution Prevention Advisory Board and the Pollution Prevention staff, which resides in the long bill under Special Programs, Environmental Leadership and Pollution Prevention. The program was created by H.B. 07-1288 (Solano/Shaffer), the "Recycling Resources Economic Opportunity Act" which increased existing solid waste disposal and waste tire fees to fund recycling incentives and waste management programs in the Department of Public Health and Environment and the Department of Local Affairs. Pollution prevention efforts cross division lines and involve all media (air, water and waste); thus, the program resides in the Administration and Support Division. Cash funds are from the Recycling Resources Economic Opportunity Fund.

Staffing levels for this program are summarized in the table below.

Staffing Summary	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Staff / General Professional	1.5	1.6	1.6	1.6
<b>TOTAL</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>

*Request:* The Department requests continuation level funding according to OSPB's common policies with adjustments for state-wide requests. The following state-wide requests impact this line item:

- restoring one-time savings associated with the FY 2009-10 statewide furloughs; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Recommendation:* **Staff recommends continuation level funding calculated according to the JBC's common policies, with adjustments for the state-wide requests.** The components of the staff recommendation for the line item are summarized in the table below.

Summary of (1) Administration and Support, (C) Special Environmental Programs Recycling Resources Economic Opportunity Program Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
FY 2009-10 Long Bill	\$2,629,361	\$0	\$2,629,361	\$0	\$0	1.6
FY 2009-10 Supplemental	(2,563)	0	(2,563)	0	0	0.0
Reverse FY 2009-10 Supplemental	2,563	0	2,563	0	0	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
Reduction in employer's PERA contribution (2.5%)	(2,082)	0	(2,082)	0	0	0.0
<b>Total Recommendation</b>	<b>\$2,627,279</b>	<b>\$0</b>	<b>\$2,627,279</b>	<b>\$0</b>	<b>\$0</b>	<b>1.6</b>

### **Advanced Technology Research Grants**

This program is a pollution prevention effort that is administered and overseen by the Pollution Prevention Advisory Board and the Pollution Prevention staff, which resides in the long bill under Special Environmental Programs, Environmental Leadership and Pollution Prevention. The program was created by S.B. 07-182 (Bacon/Pommer), regarding the Innovative Higher Education Research Fund and the Advanced Technology Research Fund. Part of this bill specified that the Advanced Technology Fund would be administered by the Pollution Prevention Advisory Board within the Department of Public Health and Environment. Moneys in the fund shall be used to finance research that will increase or improve recycling techniques or create marketable uses for solid waste, including waste tires but excluding waste-to-energy projects, and address problems with solid waste disposal.

Beginning in FY 2007-08, the bill specified that monies in the Advanced Technology Fund are continuously appropriated to the Department of Public Health and Environment. Historically, the Department of Higher Education administered the fund and had a line item with \$495,000 cash funds exempt spending authority, shown for informational purposes only. For the purposes of continuity in the Long Bill, the Department requested a new line item showing that it now has spending authority from that fund although the funds are now classified as cash funds. Therefore, **staff recommends the requested appropriation of \$495,000 cash funds** from the Advanced Technology Fund, noting that this appropriation is for informational purposes only.

**OIL AND GAS CONSULTATION, PERSONAL SERVICES (New Line Item Requested)**

As discussed above with Decision Item #3 (Long Bill Realignment), the Department is requesting the creation of two new line items within the Special Environmental Programs to support the Department's consultation work with the Oil and Gas Conservation Commission (OGCC). The request would move 2.0 FTE currently housed within the Air Quality Control Division to Administration and Support in recognition of the cross-divisional nature of the consultation work. The General Assembly appropriated the FTE in question to coordinate the Department's consultation role under the OGCC's rules. Staffing levels for the requested line item are summarized below. Cash funds are from the Oil and Gas Conservation and Environmental Response Fund, which is managed by the OGCC.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Environmental Protection Specialist	0.0	0.0	2.0	1.0
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>1.0</b>

*Request:* The request would transfer 2.0 FTE and \$175,164 cash funds from the Oil and Gas Conservation and Environmental Response Fund (managed by the OGCC) from the Air Quality Control Division Stationary Sources Program to the new line item within Administration and Support, Special Environmental Programs.

*Recommendation:* As discussed above, **staff recommends approving the creation of the new line items if the Committee elects to sustain staff dedicated to the Department's consultation role. However, staff recommends eliminating 1.0 FTE and associated expenses for FY 2010-11.**

Staff agrees that moving the consultation staff out of the air quality division will improve transparency regarding the Department's consultation work. However, the current consultation workload does not justify maintaining 2.0 FTE for FY 2010-11. The consultation workload thus far has been far below the levels anticipated by the Department (the Department has received nineteen requests for consultations in FY 2009-10, while the original decision item anticipated 700 per fiscal year). The Department has hired 1.0 permanent FTE for consultation. That employee is working directly on permit processing at the Department of Natural Resources, and staff agrees that is an appropriate use of the resources because the Department of Natural Resources is funding the position

and the employee is both learning about and assisting with the process. Staff's recommendation will not require elimination of a current employee as the Department has not hired a permanent employee for the second position. The components of the staff recommendation for the line item are summarized in the table below.

<b>Summary of (1) Administration and Support, (C) Special Environmental Programs Oil and Gas Consultation, Personal Services Recommendation</b>						
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
FY 2009-10 Long Bill	\$0	\$0	\$0	\$0	\$0	0.0
DI #3 (Long Bill Realignment)	175,164	0	175,164	0	0	2.0
Staff Initiated Reduction	(64,260)	0	(64,260)	0	0	(1.0)
Base reduction (0.0%)	0	0	0	0	0	0.0
<b>Total Recommendation</b>	<b>\$110,904</b>	<b>\$0</b>	<b>\$110,904</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>

**OIL AND GAS CONSULTATION, OPERATING EXPENSES (New Line Item Requested)**

As discussed above with decision item #3 (Long Bill Realignment), this proposed line item would house the non-personnel-related appropriations associated with the Department's consultation role under Oil and Gas Conservation Commission rules. Cash funds are from the Oil and Gas Conservation and Environmental Response Fund, which is managed by the Oil and Gas Conservation Commission within the Department of Natural Resources.

*Request:* The Department requests \$19,577 cash funds, to be moved from the Air Quality Control Division, Stationary Sources, Operating Expenses line item.

*Recommendation:* As discussed above, **staff recommends approving the creation of the new line item if the Committee elects to sustain staff dedicated to the Department's consultation role. However, staff recommends reducing the appropriation by \$9,788 to reflect the recommended elimination of 1.0 FTE from the requested personal services line item.** As discussed with respect to personal services above, the current workload does not warrant a continuation appropriation. Staff has worked with the Department to ascertain the operating expenses necessary to continue to support 1.0 FTE rather than 2.0. The components of the staff recommendation for the line item are summarized in the table below.

<b>Summary of (1) Administration and Support, (C) Special Environmental Programs Oil and Gas Consultation, Operating Expenses Recommendation</b>					
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
FY 2009-10 Long Bill	\$0	\$0	\$0	\$0	\$0
DI #3 (Long Bill Realignment)	19,577	0	19,577	0	0
Staff Initiated Reduction	(9,788)	0	(9,788)	0	0

Summary of (1) Administration and Support, (C) Special Environmental Programs Oil and Gas Consultation, Operating Expenses Recommendation					
	TOTAL	GF	CF	RF	FF
<b>Total Recommendation</b>	\$9,789	\$0	\$9,789	\$0	\$0

**(5) AIR QUALITY CONTROL DIVISION (Proposed and recommended new name: AIR POLLUTION CONTROL DIVISION (see discussion of Decision Item #3 on page 26 of this document))**

**(A) Administration**

This section provides administrative support to the Air Quality Control Commission (AQCC) and manages the operations of the Division and the implementation of air programs.

**Personal Services**

This line item provides for personnel-related expenses for the Division's administration.

Staffing Summary	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Administrative Support Staff	0.4	0.5	0.5	0.5
Management	2.0	2.0	2.0	2.0
Staff / General Professionals	1.9	2.0	2.0	2.0
<b>TOTAL</b>	<b>4.3</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>

*Request:* The Department requests continuation funding according to OSPB's common policies. The following state-wide requests impact this line item:

- restoring one-time savings associated with the FY 2009-10 statewide furloughs; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Recommendation:* Staff recommends the requested continuation level funding calculated according to the JBC's common policies, with adjustments for the state-wide requests. The components of the staff recommendation for the line item are summarized in the table below.

Summary of (5) Air Quality Control Division, (A) Administration Personal Services Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
FY 2009-10 Long Bill	\$385,113	\$0	\$294,704	\$0	\$90,409	4.5
FY 2009-10 Supplemental	(11,477)	0	(9,095)	0	(2,382)	0.0

Summary of (5) Air Quality Control Division, (A) Administration Personal Services Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
Reverse FY 2009-10 Supplemental	11,477	0	9,095	0	2,382	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
Reduction in employer's PERA contribution (2.5%)	(9,325)	0	(7,390)	0	(1,935)	0.0
<b>Total Recommendation</b>	<b>\$375,788</b>	<b>\$0</b>	<b>\$287,314</b>	<b>\$0</b>	<b>\$88,474</b>	<b>4.5</b>

### **Operating Expenses**

This line item provides for the Administration subdivision's operating expenses.

*Request:* The Department requests a continuation appropriation, unchanged from FY 2009-10.

*Recommendation:* **Staff recommends the request.**

### **Indirect Cost Assessment**

This line reflects the amount of indirect cost assessments made against cash and federal funding sources within the division. The funds collected here are used to offset General Fund that would otherwise be required in the Administration and Support Division.

*Request:* The Department's request reflects the statewide and departmental indirect cost plan.

*Recommendation:* **Staff requests permission to work with the Department to finalize the indirect cost amount once the Committee has taken final action on all line items.**

### **(B) Technical Services**

The Technical Services subdivision was created in FY 2008-09 as a consolidation of what had been three separate programs/sub-subdivisions: Air Quality Monitoring; Modeling and Analysis; and Visibility and Risk Assessment. The three programs are described below. The Technical Services subdivision's cash funds are from the Stationary Sources Control Fund, the Ozone Protection Fund, and the Automobile Inspection and Readjustment (AIR) Account of the Highway Users Tax Fund.

- Air Quality Monitoring. This program measures air quality along the Front Range. The state must meet federal monitoring regulations for data to be considered acceptable for use in State Implementation Plans (SIPs), area redesignations, permit compliance, and other activities.
- Modeling and Analysis. This program is responsible for providing technical support for the State Implementation Plan (SIP) and the state's stationary source permitting program.



The program is responsible for emission inventory development and air quality modeling that serves as the basis for evaluating the effectiveness of various control strategies and demonstrating that strategies adopted by the state will be sufficient to attain the National Ambient Air Quality Standards. The Modeling and Analysis program also includes ozone modeling work related to the front range area's designation as an ozone non-attainment area in 2007.

- Visibility and Risk Assessment. This program is responsible for three programs: the Class I Area Program (national parks and wilderness areas), the urban visibility program, and the smoke management program, including issuing permits for prescribed burns.

**Technical Services, Personal Services**

This line item houses the appropriation for all Technical Services FTE, including those involved with air quality monitoring, modeling and analysis, visibility, and risk assessment, which had been separate line items prior to FY 2008-09. The sources of cash funds are the Stationary Sources Control Fund, the Ozone Protection Fund, and the Automobile Inspection and Readjustment (AIR) Account of the Highway Users Tax Fund.

Staffing Summary	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Administrative Support Staff	1.0	1.0	1.0	1.0
Electronics Specialist	2.0	2.5	2.5	2.5
Engineers	3.4	4.0	4.0	4.0
Environmental Protection Specialist	8.0	10.0	10.5	10.5
Information Systems Staff	1.6	1.5	0.0	0.0
Management	0.8	0.8	0.8	0.8
Physical Scientist	10.4	11.3	11.3	11.3
Staff / General Professionals	3.5	4.0	4.0	4.0
<b>TOTAL</b>	<b>30.7</b>	<b>35.1</b>	<b>34.1</b>	<b>34.1</b>

*Request:* The Department requests continuation level funding calculated pursuant to OSPB's budget instructions. The following state-wide requests impact this line item:

- restoring one-time savings associated with the 1.82 percent base personal services reduction in the FY 2009-10 Long Bill and statewide furloughs in FY 2009-10; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Staff Recommendation:* **Staff recommends continuation level funding pursuant to the JBC's common policies, with adjustments for the state-wide requests.** Staff's recommendation is above the request by \$1,804 cash funds and \$3,408 federal funds because of an adjustment to the

PERA reduction associated with the statewide information technology staff consolidation, pursuant to JBC common policy.

Summary of (5) Air Quality Control Division, (B) Technical Services Personal Services Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
FY 2009-10 Long Bill	\$2,835,032	\$0	\$1,850,378	\$0	\$984,654	35.1
Restore 1.82% base reduction	34,251	0	34,251	0	0	0.0
FY 2009-10 Supplemental	(39,617)	0	(12,863)	0	(26,754)	0.0
Reverse FY 2009-10 Supplemental	39,617	0	12,863	0	26,754	0.0
Annualize H.B. 09-1199	33,172	0	33,172	0	0	0.5
Base reduction (0.0%)	0	0	0	0	0	0.0
SWNPDI - IT Staff	(124,036)	0	(43,001)	0	(81,035)	(1.5)
Reduction in employer's PERA contribution (2.5%)	(54,805)	0	(36,476)	0	(18,329)	0.0
<b>Total Recommendation</b>	<b>\$2,723,614</b>	<b>\$0</b>	<b>\$1,838,324</b>	<b>\$0</b>	<b>\$885,290</b>	<b>34.1</b>

**Technical Services, Operating Expenses**

This line item houses the operating expenses appropriations associated with all of the Technical Services programs. The sources of cash funds are the Stationary Sources Control Fund and the Automobile Inspection and Readjustment (AIR) Account of the Highway Users Tax Fund.

*Request:* The Department requests a continuation appropriation according to OSPB's common policies. The change from the FY 2009-10 appropriation is the result of the annualization of H.B. 09-1199 (Scanlan/Gibbs).

*Recommendation:* Staff recommends the request, calculated pursuant to JBC common policy and summarized in the table below.

Summary of (5) Air Quality Control Division, (B) Technical Services Operating Expenses Recommendation					
	TOTAL	GF	CF	RF	FF
FY 2009-10 Long Bill	\$400,327	\$0	\$315,766	\$0	\$84,561
Annualize H.B. 09-1199	475	0	475	0	0
<b>Total Recommendation</b>	<b>\$400,802</b>	<b>\$0</b>	<b>\$316,241</b>	<b>\$0</b>	<b>\$84,561</b>

**Technical Services, Local Contracts**

The Department uses this line item to contract with local health agencies to collect air quality data and for ozone modeling related to the front range area's designation as a non-attainment area in 2007. The sources of cash funds are the Stationary Sources Control Fund, the Ozone Protection Fund, and the Automobile Inspection and Readjustment (AIR) Account of the Highway Users Tax Fund.

*Request:* The Department requests a continuation appropriation, unchanged from FY 2009-10, according to OSPB's common policies.

*Recommendation:* **Staff recommends the request**, calculated pursuant to JBC common policy and summarized in the table below.

Summary of (5) Air Quality Control Division, (B) Technical Services Local Contracts Recommendation					
	TOTAL	GF	CF	RF	FF
FY 2009-10 Long Bill	\$730,368	\$0	\$636,121	\$0	\$94,247
(no change)	0	0	0	0	0
<b>Total Recommendation</b>	<b>\$730,368</b>	<b>\$0</b>	<b>\$636,121</b>	<b>\$0</b>	<b>\$94,247</b>

**(C) Mobile Sources**

The Mobile Sources subdivision contains two programs: 1) Research and Support and 2) Inspection and Maintenance. Prior to an FY 2008-09 Long Bill reorganization, the subdivision had included two sub-subdivisions and a total of eight line items. In FY 2008-09, the Long Bill line items were consolidated into five line items under the Mobile Sources subdivision. Descriptions of the two programs are below.

- **Research and Support.** This program/sub-subdivision is responsible for three programs: the High Altitude Testing Program, the Oxygenated Fuel Program, and the Clean Fuel Fleet Program. The High Altitude Testing Program provides data to develop vehicle emissions factors that accurately represent Denver's vehicle population and emissions. The Oxygenated Fuels program is required under the federal 1990 Clean Air Act Amendments; its purpose is to reduce wintertime carbon monoxide emissions from automobiles through the use of cleaner burning gasoline. The Clean Fuel Program is designed to reduce motor vehicle emissions through the introduction of cleaner burning engines and fuels into the marketplace.
- **Inspection and Maintenance.** The purpose of the Vehicle Inspection and Maintenance Program is to reduce motor vehicle-related pollution through the inspection and emissions-related repair of motor vehicles. Emissions testing of gas and diesel powered vehicles is

required when registering, renewing registrations, or selling vehicles within the program areas along Colorado's Front Range.

## **DI #2: NORTH FRONT RANGE EMISSIONS TECHNICAL CENTER**

*Request:* The Department is requesting a total of \$130,478 cash funds from the Automobile Inspection and Reinvestment (AIR) Account of the Highway Users Tax Fund and 1.0 FTE to support a new Emissions Technical Center for the North Front Range as a result of the regulatory expansion of the boundaries of the Automobile Inspection and Readjustment (AIR) program area.

The Department's request includes personal services and operating expenses to establish and operate the new technical center in Fort Collins, including leased space, utilities, personal services, and tools and supplies. The Department had requested these resources through the fiscal note process for S.B. 09-3 (Bacon/Fischer), which further expanded the program testing area. However, as stated in the Legislative Council Staff Fiscal Note dated June 9, 2009, the appropriation clause in S.B. 09-3 only includes resources directly associated with the legislation. Because the Department's regulatory expansion of the testing area was independent of the bill, the relevant resources were not included in the legislation's appropriation.

The request annualizes to a total of \$107,663 cash funds and 1.0 FTE in FY 2011-12, with the reduction resulting from the elimination of one-time expenditures for office equipment and diagnostic repair tools.

*Background:* The AIR program, initiated in the early 1980's, conducts vehicle emission inspections. The program is currently operating in the Denver Metropolitan area and requires vehicles registered in the area to be periodically tested and to meet established standards for emissions of carbon monoxide, nitrogen oxides, and hydrocarbons. Vehicles that fail tests must be repaired and pass a retest before the registration can be renewed.

In 2007, the EPA designated the Denver Metro Area and North Front Range as an ozone non-attainment area. In response, the Air Quality Control Commission used its regulatory authority to expand the AIR vehicle inspection program to include portions of the North Front Range (parts of Larimer and Weld Counties) in December 2008. Statutory limits tied to the State's original (1980's) carbon monoxide non-attainment area only allowed the Commission to expand the testing area into certain portions of Larimer and Weld counties via regulation.

Senate Bill 09-3 further expanded the vehicle inspection area in Larimer and Weld Counties and included 1.0 FTE to operate an emissions technical center in support of the area *directly affected by the bill* (that is, the area incorporated into the testing area by the bill). Pursuant to fiscal note policy, the appropriation in S.B. 09-3 did not include resources necessitated by the December 2008 regulatory expansion (which affected different areas of Larimer and Weld counties than the bill

did), and the Department is making the current request to support the area affected by the regulatory expansion.

The State initiated mandatory testing under the AIR program in 1981 to reduce carbon monoxide emissions in the Denver Metro Area and the North Front Range, including Larimer and Weld Counties. The program is currently focused on reducing emission of ground level ozone precursors and is only operating in the Denver Metropolitan Area. The following is a time line for the AIR Program in Colorado.

- *1981:* Department initiates AIR Program in Denver Metropolitan Area and North Front Range (including Larimer and Weld Counties) to combat carbon monoxide emissions.
- *January 1, 2007:* Air Quality Control Commission terminates program in Larimer and Weld counties as a result of successful reductions in *carbon monoxide* emissions. The program continues operations in Denver Metropolitan Area to combat emissions of ground level ozone precursors.
- *Summer 2007:* U.S. EPA designates Denver Metropolitan Area and North Front Range as an ozone non-attainment area, requiring the State to explore options to further reduce emissions to achieve attainment with federal ozone standards.
- *December 2008:* Air Quality Control Commission uses regulatory authority to expand AIR Program area to include portions of Larimer and Weld counties, effective July 1, 2010. Statute (Section 42-4-304 (20) (a) (IV) and (V), C.R.S. and Section 42-4-306 (9) (a) (II), C.R.S.) only allowed the Commission to incorporate specific portions of Larimer and Weld Counties via regulation. Statutory limits were tied to the original (1980's) carbon monoxide non-attainment area, which was smaller than the ozone non-attainment area designated in 2007.
- *2009 Session:* General Assembly enacts S.B. 09-3, further expanding the AIR Program area to include remaining portions of Larimer and Weld Counties affected by EPA non-attainment designation. The bill includes an appropriation to support technical services for areas specifically impacted by the bill *but does not include resources associated with the regulatory expansion*. The bill appropriates 1.0 FTE and related expenses for emissions technical services for the affected areas.
- *FY 2010-11 Budget Submission:* Department submits decision item requesting resources associated with regulatory expansion to fully support a new North Front Range Emissions Technical Center, adding 1.0 FTE and necessary operating expenses to the appropriation from S.B. 09-3. The request is meant to include resources necessary to serve area affected by regulatory expansion that were not included in S.B. 09-3.
- *July 1, 2010:* Mandatory testing begins in the North Front Range.

Section 42-4-307 (3), C.R.S., directs the Department to "*establish and operate such technical or administrative centers as may be necessary for the proper administration and ongoing support of the automobile inspection and readjustment program...*" The emissions technical centers: 1) provide training to area mechanics on the repair of emissions-related problems and 2) directly serve motorists whose vehicles have failed inspection by diagnosing emissions-related problems.

The Department currently operates three technical centers, one each in Denver, Broomfield, and Aurora, to serve the Denver Metropolitan Area. Until the AIR program was eliminated in the North Front Range area, the Department had operated an additional center in Fort Collins. However, that center was eliminated when the Air Quality Control Commission discontinued the AIR program in Larimer and Weld counties in 2007.

*Analysis:* According to the Department, the requested 1.0 FTE is necessary to serve the anticipated number of vehicles affected by the regulatory expansion. The Department estimates that the regulatory expansion will add 290,000 vehicles to the testing program, 230,000 of which will require biannual testing with current exemptions for newer vehicles, thus requiring 115,000 tests per year. Using the 2008 vehicle failure rate from the current program area (8.6 percent), the Department assumes that the regulatory expansion will result in 9,890 failed vehicles per year. The following table reflects the Department's estimate of the number of test failures in the North Front Range program area.

	Resulting Vehicles Tested per Year	Projected Number of Failed Tests (using 2008 failure rate)
Regulatory Expansion	115,000	9,890
Statutory Expansion (S.B. 09-3)	<u>70,930</u>	<u>6,100</u>
Total	185,930	15,990

The Department currently staffs technical centers with approximately 1.0 FTE per 7,000 test failures in a given area, thus requiring approximately 2.0 FTE to staff the new center to sustain that level. With 1.0 technical center FTE appropriated in S.B. 09-3, the Department is requesting the remaining FTE. The appropriation in S.B. 09-3 also did *not* provide resources for the lease of the new building and some of the necessary tools. According to the Department, if the decision item is not approved, the Division will face two scenarios.

- If the Division is unable to open the new technical center in Fort Collins, drivers in need of technical center assistance (and mechanics in need of training) will have to travel to Denver for assistance and training, resulting in significant inconvenience to the public.
- If the Division does manage to open a new center in Fort Collins with only 1.0 FTE, the Division expects the workload to prevent rapid response from the technical center. According to the Division, vehicles that fail a test and are repaired *within 10 days* receive a free re-test. The Division is concerned that the workload would prevent drivers from being able to get into the technical center in that time frame, resulting in both increased inconvenience and increased cost for the new test.

**Recommendation:** Staff recommends that the Committee approve the decision item, with a slight modification to the personal services appropriation to reflect the 2.5 percent PERA reduction for FY 2010-11. If the North Front Range remains in the testing area, and removing

it would require regulatory change by the Air Quality Control Commission and legislative change by the General Assembly, then statute requires the Department to provide emissions technical centers. Staff agrees with the Department that the existing facilities would not be convenient for some areas impacted by the regulation and by S.B. 09-3. Based on the Department's assumptions, effectively operating a new technical center would require the additional staff requested in the decision item. The components of staff's recommendation for decision item #2 are summarized in the table below.

**Request and Staff Recommendation for Decision Item #2**

Line Item	Request		Staff Rec.	
	Cash Funds	FTE	Cash Funds	FTE
(1) Administration and Support; (A) Administration, Leased Space	\$30,000		\$30,000	
(1) Administration and Support; (A) Administration, Utilities	10,800		10,800	
(5) Air Quality Control Division; (C) Mobile Sources, Personal Services	58,563	1.0	57,251	1.0
(5) Air Quality Control Division; (C) Mobile Sources, Operating Expenses	<u>31,115</u>		<u>31,115</u>	
<b>Total</b>	<b>\$130,478</b>	<b>1.0</b>	<b>\$129,166</b>	<b>1.0</b>

**Mobile Sources, Personal Services**

This line item houses most of the Personal Services appropriation for the Mobile Sources program, including research and support activities as well as inspection and maintenance. The source of cash funds is the Automobile Inspection and Readjustment (AIR) Account of the Highway Users Tax Fund.

Staffing Summary	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Administrative Support Staff	1.0	1.0	1.0	1.0
Air Environmental Systems Technicians	3.7	4.9	5.9	5.9
Engineers	1.4	2.0	2.5	2.5
Environmental Protection Specialist	10.0	12.0	12.0	12.0
Information Systems Staff	1.0	1.1	0.0	0.0
Management	0.7	0.7	0.7	0.7
Physical Scientist	2.5	2.5	2.5	2.5
Staff / General Professionals	7.2	7.5	7.5	7.5

Staffing Summary	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
<b>TOTAL</b>	<b>27.5</b>	<b>31.7</b>	<b>32.1</b>	<b>32.1</b>

*Request:* Under decision item #3 (North Front Range Emissions Technical Center, discussed above), the Department requests an increase of \$58,563 cash funds and 1.0 FTE to establish and staff a new North Front Range Emissions Technical Center. For the base, the Department requests continuation funding according to OSPB's common policies. The following state-wide requests impact this line item:

- restoring one-time savings associated with the 1.82 percent base personal services reduction in the FY 2009-10 Long Bill and statewide furloughs in FY 2009-10;
- a reduction associated with the statewide information technology staff consolidation; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Recommendation:* As discussed above, staff recommends approval of decision item #2, including \$57,251 cash funds and 1.0 FTE for this line item. For the base, staff recommends continuation level funding calculated according to the JBC's common policies, with adjustments for the state-wide requests. The components of the staff recommendation for the line item are summarized in the table below.

Summary of (5) Air Quality Control Division, (C) Mobile Sources Personal Services Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
FY 2009-10 Long Bill	\$2,420,457	\$0	\$2,223,483	\$0	\$196,974	30.2
S.B. 09-3	87,845	0	87,845	0	0	1.5
Restore 1.82% base reduction	40,821	0	40,821	0	0	0.0
FY 2009-10 Supplemental	(22,892)	0	(17,903)	0	(4,989)	0.0
Reverse FY 2009-10 Supplemental	22,892	0	17,903	0	4,989	0.0
Annualize S.B. 09-3	29,281	0	29,281	0	0	0.5
Base reduction (0.0%)	0	0	0	0	0	0.0
SWNPDI - IT Staff	(81,923)	0	(48,800)	0	(33,123)	(1.1)
DI #2 (North Front Range Emissions Technical Center)	57,251	0	57,251	0	0	1.0
Reduction in employer's PERA contribution (2.5%)	(50,704)	0	(47,150)	0	(3,554)	0.0
<b>Total Recommendation</b>	<b>\$2,503,028</b>	<b>\$0</b>	<b>\$2,342,731</b>	<b>\$0</b>	<b>\$160,297</b>	<b>32.1</b>



**Mobile Sources, Operating Expenses**

This line item houses the appropriation for all operating expenses associated with the research and support activities, and inspection and maintenance services provided by the Mobile Sources Program. The source of cash funds is the Automobile Inspection and Readjustment (AIR) Account of the Highway Users Tax Fund.

*Request:* Under decision item #3 (North Front Range Emissions Technical Center, discussed above), the Department requests an increase of \$31,115 cash funds to establish and equip a new technical center in Fort Collins. For the base, the Department requests continuation funding according to OSPB’s common policies.

***Recommendation:* As discussed above, staff recommends approval of decision item #2, including \$31,115 cash funds for this line item. For the base, staff recommends continuation level funding calculated according to the JBC's common policies.**

Summary of (5) Air Quality Control Division, (C) Mobile Sources Operating Expenses Recommendation					
	TOTAL	GF	CF	RF	FF
FY 2009-10 Long Bill	\$335,327	\$0	\$317,077	\$0	\$18,250
S.B. 09-3	9,267	0	9,267	0	0
Annualize S.B. 09-3	(7,317)	0	(7,317)	0	0
DI #2 (North Front Range Emissions Technical Center)	31,115	0	31,115	0	0
<b>Total Recommendation</b>	<b>\$368,392</b>	<b>\$0</b>	<b>\$350,142</b>	<b>\$0</b>	<b>\$18,250</b>

**Mobile Sources, Diesel Inspection/Maintenance Program**

This line provides for all aspects of the diesel program, including inspector certification and training, data collection, fleet self-certification, and technical assistance. Diesel self-certification is a program available to commercial operations with diesel fleets of nine or more vehicles. Cash funds are from diesel inspection and mechanic certification fees and from the Automobile Inspection and Readjustment (AIR) Account of the Highway Users Tax Fund.

Staffing Summary	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Administrative Support Staff	0.2	0.2	0.2	0.2
Environmental Protection Specialist	1.8	1.8	1.8	1.8
Physical Scientist	0.8	0.8	0.8	0.8

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Air Environmental Systems Technicians	3.0	3.0	3.0	3.0
Staff / General Professionals	0.8	0.8	0.8	0.8
<b>TOTAL</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>

*Request:* The Department requests continuation funding according to OSPB's common policies, as adjusted by statewide requests. The following state-wide requests impact this line item:

- restoring one-time savings associated with the FY 2009-10 statewide furloughs; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Recommendation:* Staff recommends the requested continuation level funding calculated according to the JBC's common policies, with adjustments for the state-wide requests. The components of the staff recommendation for the line item are summarized in the table below.

<b>Summary of (5) Air Quality Control Division, (C) Mobile Sources Diesel Inspection/Maintenance Program Recommendation</b>						
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
FY 2009-10 Long Bill	\$651,569	\$0	\$651,569	\$0	\$0	6.6
FY 2009-10 Supplemental	(15,174)	0	(15,174)	0	0	0.0
Reverse FY 2009-10 Supplemental	15,174	0	15,174	0	0	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
Reduction in employer's PERA contribution (2.5%)	(12,329)	0	(12,329)	0	0	0.0
<b>Total Recommendation</b>	<b>\$639,240</b>	<b>\$0</b>	<b>\$639,240</b>	<b>\$0</b>	<b>\$0</b>	<b>6.6</b>

### **Mobile Sources, Mechanic Certification Program**

This line item funds the development of course curricula and training materials, and includes the training and certification of instructors. The source of cash funds is tuition for the program.

*Request:* The Department requests a continuation appropriation, unchanged from FY 2009-10, according to OSPB's common policies.

*Recommendation:* Staff recommends the request, calculated pursuant to JBC common policy.

### **Mobile Sources, Local Grants**

This line supports the development and implementation of the inspection and maintenance program in the form of grants to local governments to conduct research on issues pertaining to air quality attainment strategies. The source of cash funds is the AIR Account of the Highway Users Tax fund.

*Request:* The Department requests a continuation appropriation of \$45,299 cash funds, unchanged from FY 2009-10, according to OSPB's common policies.

*Recommendation:* **Staff recommends the request.**

### **(D) Stationary Sources**

The Stationary Sources Section is responsible for controlling and reducing air pollutants from stationary sources (i.e., factories, power plants, wood stoves, etc.). The staff permit, monitor, and inspect stationary source air pollution emitters. Prior to FY 2008-09, the Section contained four programs/sub-subdivisions: (1) Inventory and Support Services; (2) Permits and Compliance Assurance; (3) Hazardous and Toxic Control; and (4) the Housed Commercial Swine Feeding Operation Program. The four programs included a total of nine line items. Under an FY 2008-09 reorganization, the Inventory and Support Services, Permits and Compliance Assurance, and Hazardous and Toxic Control programs were combined to form one Stationary Sources subdivision and those programs' eight line items were consolidated into four new line items. The reorganization moved the appropriation for the Housed Commercial Swine Feeding Operation Program to the Administration Division, Special Environmental Programs Subdivision.

Descriptions of the remaining programs within the Stationary Sources Section are below.

- Inventory and Support Services. This program is responsible for developing an inventory of pollution emissions from stationary sources. It is responsible for regulation development and maintenance, small business assistance and permit fee invoicing.
- Permits and Compliance Assurance. This program is responsible for informing industry, through the permitting process, of which regulations apply to them; helping small businesses understand complex rules; encouraging compliance with air quality regulations by conducting periodic inspections of air pollutant sources; and pursuing enforcement actions, as necessary.
- Hazardous and Toxic Control. The Clean Air Act Amendments of 1990 created a new and expanded program to control hazardous air pollutants. The same federal amendments required the control of ozone depleting compounds. The State's program develops standards for hazardous air pollutants, trains and certifies asbestos technicians, and controls chlorofluorocarbons (CFCs).

**Stationary Sources, Personal Services**

This line item houses the appropriation for most of the Stationary Sources Program FTE, including those involved with inventory and support services, permits and compliance assurance, and hazardous and toxics emissions control. The sources of cash funds are the Stationary Sources Control Fund, the Oil and Gas Conservation and Environmental Response Fund, and the Lead Hazard Reduction Cash Fund.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Administrative Support Staff	5.7	6.0	6.0	6.0
Engineers	18.7	22.0	22.0	22.0
Environmental Protection Specialist	39.4	39.4	37.4	37.4
Information Systems Staff	1.5	3.4	0.0	0.0
Management	1.5	1.5	1.5	1.5
Physical Scientist	2.9	2.9	2.9	2.9
Program Assistant	1.2	1.2	1.2	1.2
Staff / General Professionals	9.9	10.8	10.8	10.8
<b>TOTAL</b>	<b>80.8</b>	<b>87.2</b>	<b>81.8</b>	<b>81.8</b>

*Request:* Under decision item #3 (Long Bill Realignment, discussed at the beginning of this document), the Department requests a transfer of \$175,164 and 2.0 FTE from this line item to the proposed Oil and Gas Consultation, Personal Services line item under Administration and Support, Special Environmental Programs. For the base, the Department requests continuation funding according to OSPB’s common policies, as adjusted by statewide requests. The following state-wide requests impact this line item:

- restoring one-time savings associated with the 1.82 percent base reduction in the FY 2009-10 Long Bill and the implementation of statewide furloughs;
- a reduction associated with the statewide information technology staff consolidation; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Recommendation:* **As discussed at the beginning of this document and under Oil and Gas Consultation, Personal Services, staff recommends that the Committee approve the transfer of dedicated oil and gas consultation staff to the newly proposed line items. While staff is recommending a reduction to the oil and gas consultation staff, the recommendation requires the full reduction to this line item. For the base, staff recommends continuation level funding calculated according to the JBC's common policies, with adjustments for the state-wide requests.** The recommendation for this line item is above the request because of the interaction of the 2.5 percent PERA reduction and the statewide information technology consolidation request

pursuant to Committee policy. The components of the staff recommendation for the line item are summarized in the table below.

Summary of (5) Air Quality Control Division, (D) Stationary Sources Personal Services Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
FY 2009-10 Long Bill	\$6,612,992	\$0	\$5,250,411	\$0	\$1,362,581	87.2
Restore 1.82% base reduction	97,640	0	97,640	0	0	0.0
FY 2009-10 Supplemental	(89,413)	0	(53,815)	0	(35,598)	0.0
Reverse FY 2009-10 Supplemental	89,413	0	53,815	0	35,598	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
SWNPDI - IT Staff	(265,859)	0	(114,689)	0	(151,170)	(3.4)
DI #3 (Long Bill Realignment)	(175,164)	0	(175,164)	0	0	(2.0)
Reduction in employer's PERA contribution (2.5%)	(143,116)	0	(119,028)	0	(24,088)	0.0
<b>Total Recommendation</b>	<b>\$6,126,493</b>	<b>\$0</b>	<b>\$4,939,170</b>	<b>\$0</b>	<b>\$1,187,323</b>	<b>81.8</b>

### **Stationary Sources, Operating Expenses**

This line item houses the appropriation for all operating expenses associated with the inventory and support services, permits and compliance assurance, and hazardous and toxics emissions control efforts of the Stationary Sources Program. The sources of cash funds are the Stationary Sources Control Fund, the Lead Hazard Reduction Cash Fund, and the Oil and Gas Conservation and Environmental Response Fund.

*Request:* Under decision item #3 (Long Bill Realignment), the Department requests a transfer of \$19,577 from this line item to the proposed Oil and Gas Consultation, Operating Expenses line item under Administration and Support, Special Environmental Programs. For the base, the Department requests continuation funding according to OSPB's common policies.

***Recommendation:* Staff recommends the request. As discussed above, staff recommends that the Committee approve the requested movement of oil and gas consultation-related resources, affecting this line item as a reduction of \$19,577 cash funds. For the base, staff recommends continuation funding calculated pursuant to JBC common policies. The table below shows staff's calculations for the recommendation.**

Summary of (5) Air Quality Control Division, (D) Stationary Sources Operating Expenses Recommendation					
	TOTAL	GF	CF	RF	FF
FY 2009-10 Long Bill	\$409,054	\$0	\$407,724	\$0	\$1,330
DI #3 - Long Bill Realignment	(19,577)	0	(19,577)	0	0
<b>Total Recommendation</b>	<b>\$389,477</b>	<b>\$0</b>	<b>\$388,147</b>	<b>\$0</b>	<b>\$1,330</b>

**Stationary Sources, Local Contracts**

This line item houses funding that, prior to FY 2008-09, would have been appropriated to the Stationary Sources, Permits and Compliance Assurance, Local Contracts line item. The source of cash funds is the Stationary Sources Control Fund.

*Request:* The Department requests a continuation appropriation of \$45,299 cash funds, unchanged from FY 2009-10, according to OSPB’s common policies.

*Recommendation:* **Staff recommends the request.** Staff’s calculations for the recommendation are shown in the following table.

Summary of (5) Air Quality Control Division, (D) Stationary Sources Local Contracts Recommendation					
	TOTAL	GF	CF	RF	FF
FY 2009-10 Long Bill	\$837,147	\$0	\$722,067	\$0	\$115,080
(no change)	0	0	0	0	0
<b>Total Recommendation</b>	<b>\$837,147</b>	<b>\$0</b>	<b>\$722,067</b>	<b>\$0</b>	<b>\$115,080</b>

**Preservation of the Ozone Layer**

This line item houses funding that, prior to FY 2008-09, would have been appropriated to the Stationary Sources, Permits and Compliance Assurance, Preservation of the Ozone Layer line item. The purpose of this program is to reduce emissions of ozone depleting compounds (chlorofluorocarbons and hydro-fluorocarbons) by regulating the practices and procedures employed by the air conditioning and refrigeration service facilities in both automotive and stationary source industries. The program is self-supporting through fees and it regulates all air conditioning and refrigeration sources throughout the state of Colorado. The sources of cash funds are the Ozone Protection Fund, the Automobile Inspection and Readjustment (AIR) Account of the Highway Users Tax Fund, and the Stationary Sources Control Fund.

Staffing Summary	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Staff / General Professionals	0.1	0.1	0.1	0.1

Staffing Summary	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Environmental Protection Specialist	1.9	1.9	1.9	1.9
<b>TOTAL</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

*Request:* The Department requests continuation funding according to OSPB's common policies. The following state-wide requests impact this line item:

- restoring one-time savings associated with the FY 2009-10 statewide furloughs; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Recommendation:* Staff recommends the requested continuation level funding, calculated according to the JBC's common policies with adjustments for the state-wide requests. The components of the staff recommendation for the line item are summarized in the table below.

Summary of (5) Air Quality Control Division, (D) Stationary Sources Preservation of the Ozone Layer Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
FY 2009-10 Long Bill	\$231,305	\$0	\$231,305	\$0	\$0	2.0
FY 2009-10 Supplemental	(3,049)	0	(3,049)	0	0	0.0
Reverse FY 2009-10 Supplemental	3,049	0	3,049	0	0	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
Reduction in employer's PERA contribution (2.5%)	(2,477)	0	(2,477)	0	0	0.0
<b>Total Recommendation</b>	<b>\$228,828</b>	<b>\$0</b>	<b>\$228,828</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>

**VEHICLE REPLACEMENT REQUEST**

*Request:* Under the Administration and Support Division, Administration, Vehicle Lease Payments line item, the Department is requesting the replacement of one vehicle in the Air Quality Control Division. The request would replace a seven passenger minivan with another minivan. According to the Department, the vehicle is used as a mobile laboratory to collect air samples.

*Recommendation:* Staff recommends approval of the request to replace the vehicle. Based on the May 2009 odometer reading (89,802 miles) and the vehicle's driving history, staff estimates that the current vehicle will have over 151,000 miles by March 2011 and would warrant replacement.

**(6) WATER QUALITY CONTROL DIVISION**

The Water Quality Control Division (WQCD) is responsible for maintaining the quality of the state's water resources so that they are safe to drink, support a diversity and abundance of aquatic life, and are suitable for recreation, irrigation, and commercial use. The Division is the final authority in the State's administration of water pollution prevention, abatement, and control. The Division has programs designed to prevent water pollution; protect, restore, and enhance the quality of surface and groundwater; and assure that all public water systems provide safe drinking water.

**(A) CLEAN WATER PROGRAM (New subdivision requested)**

With decision item #3 (Long Bill Realignment, discussed at the beginning of this document), the Department requests the creation of a new subdivision within the Water Quality Control Division entitled "CLEAN WATER PROGRAM." The request would consolidate three existing subdivisions to form the newly requested subdivision: (A) Administration; (B) Watershed Assessment, Outreach and Assistance; and (C) Permitting and Compliance Assurance. The request would create three new line items: Personal Services (consisting of personal services line items from the affected subdivisions), Operating Expenses (consisting of operating expenses line items from the affected subdivisions), and Grants and Contracts (consisting of the Local Grants and Contracts line item and the Water Quality Improvement line item, both of which are currently within the Watershed Assessment, Outreach, and Assistance subdivision).

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Accounting			1.4	0.7
Administrative Support Staff			7.9	4.9
Engineer/Physical Science Technicians			5.4	5.4
Envir. Protection Specialist			33.2	32.6
Management			3.5	1.8
Physical Scientist			16.5	16.3
Professional Engineer			12.0	12.0
Program Assistant			2.0	0.0
Staff / General Professionals			9.3	6.3
<b>TOTAL</b>			<b>91.2</b>	<b>80.0</b>

**PERSONAL SERVICES (New line item requested)**

This proposed line item would fund the personnel-related costs for the proposed Clean Water Program subdivision. As requested by the Department, the line item would include funds and FTE transferred from the following existing line items: Administration, Personal Services; Watershed



Assessment, Outreach, and Assistance, Personal Services; and Permitting and Compliance Assurance, Personal Services.

*Request:* The Department requests the consolidation of the three line items discussed above to create this personal services line item. The details for each line item proposed for consolidation, including decision items and the application of statewide adjustments, are discussed below with the respective subdivisions as they currently stand in the Long Bill.

*Staff Recommendation:* **As discussed with decision item #3 on page 27, staff recommends that the Committee partially approve the requested consolidation. Staff recommends consolidating the Watershed Assessment, Outreach, and Assistance subdivision and the Permitting and Compliance Assurance subdivision. Staff recommends that Administration remain a separate subdivision because it serves the proposed Clean Water Program subdivision and the existing Drinking Water Program subdivision.** The components of staff's recommendation are summarized in the table below, while the details building the appropriations of the consolidated line items are in the relevant subdivisions' sections of the document.

Summary of (6) Water Quality Control Division, Clean Water Program Personal Services Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
FY 2009-10 Long Bill	\$0	\$0	\$0	\$0	\$0	0.0
Decision Item #3 (Long Bill Realignment - <i>transfer from Administration, Personal Services</i> )	0	0	0	0	0	0.0
Decision Item #3 (Long Bill Realignment - <i>transfer from Watershed Assessment, Outreach, and Assistance, Personal Services</i> )	2,787,069	346,557	438,679	38,957	1,962,876	38.6
Decision Item #3 (Long Bill Realignment - <i>transfer from Permitting and Compliance Assurance, Personal Services</i> )	3,544,662	194,424	2,943,275	0	406,963	41.4
<b>Total Recommendation</b>	<b>\$6,331,731</b>	<b>\$540,981</b>	<b>\$3,381,954</b>	<b>\$38,957</b>	<b>\$2,369,839</b>	<b>80.0</b>

**OPERATING EXPENSES (New line item requested)**

This line item would fund the non-personnel operating costs for the proposed Clean Water Program subdivision. As requested by the Department, the line item would include funds transferred from the following existing line items: Administration, Operating Expenses; Watershed Assessment, Outreach, and Assistance, Operating Expenses; and Permitting and Compliance Assurance, Operating Expenses.

*Request:* The Department requests the consolidation of the three line items discussed above to create this operating expenses line item. The details for each line item proposed for consolidation, including decision items and the application of statewide adjustments, are discussed below with the respective subdivisions as they currently stand in the Long Bill.

*Staff Recommendation:* **As discussed with decision item #3 on page 27, staff recommends that the Committee partially approve the requested consolidation. Staff recommends consolidating the operating expenses line items from the Watershed Assessment, Outreach, and Assistance subdivision and the Permitting and Compliance Assurance subdivision. Staff recommends maintaining Administration as a separate subdivision, as discussed above.** The components of staff's recommendation are summarized in the table below, while the details building the appropriations of the consolidated line items are in the relevant subdivisions' sections of the document.

<b>Summary of (6) Water Quality Control Division, Clean Water Program Operating Expenses Recommendation</b>					
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
FY 2009-10 Long Bill	\$0	\$0	\$0	\$0	\$0
Decision Item #3 (Long Bill Realignment - <i>transfer from Administration, Operating Expenses</i> )	0	0	0	0	0
Decision Item #3 (Long Bill Realignment - <i>transfer from Watershed Assessment, Outreach, and Assistance, Operating Expenses</i> )	525,768	376,207	1,000	1,675	146,886
Decision Item #3 (Long Bill Realignment - <i>transfer from Permitting and Compliance Assurance, Operating Expenses</i> )	271,217	127,706	112,347	0	31,164
<b>Total Recommendation</b>	<b>\$796,985</b>	<b>\$503,913</b>	<b>\$113,347</b>	<b>\$1,675</b>	<b>\$178,050</b>

**GRANTS AND CONTRACTS (New line item requested)**

This proposed line item would combine two existing line items within the Watershed Assessment, Outreach, and Assistance subdivision: the Local Grants and Contracts line item and the Water Quality Improvement line item.

*Request:* The Department requests the consolidation of the two line items discussed above. The details for each line item proposed for consolidation are discussed below with the respective line items as they currently stand in the Long Bill.

*Staff Recommendation:* As discussed with decision item #3 on page 28, staff recommends that the **Committee deny the requested consolidation although staff does recommend including the separate line items under the proposed Clean Water Program subdivision.** The line items in question fund different grant programs, the funds are not at all interchangeable, and the consolidation would not provide the Department any greater flexibility or efficiency as the Department would have to continue to manage the programs separately. Staff sees no benefit to the consolidation other than shortening the Long Bill. Staff makes recommendations for the current line items in current Long Bill order below.

**(A) Administration**

The Administration Section contains the management and support staff for the Water Quality Control Commission, provides clerical support for other units and sections, as needed, and maintains a centralized records system for the Division. Administration is also responsible for training and certifying the operators of all water and wastewater treatment facilities in the State. As discussed above, the Department has requested consolidation of this line item into the proposed Clean Water Program, Personal Services line item.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Accounting	0.7	0.7	0.0	0.7
Administrative Support Staff	4.4	4.4	0.0	3.0
Envir. Protection Specialist	0.4	0.6	0.0	0.6
Management	1.7	1.7	0.0	1.7
Information Systems Staff	0.7	0.7	0.0	0.0
Physical Scientist	0.2	0.2	0.0	0.2
Program Assistant	2.5	2.5	0.0	2.0
Professional Engineer	0.0	0.0	0.0	0.0
Staff / General Professionals	2.6	3.0	0.0	3.0
<b>TOTAL</b>	<b>13.2</b>	<b>13.8</b>	<b>0.0</b>	<b>11.2</b>

**Personal Services**

This line item funds the personnel-related costs for the Administration subdivision.

*Request:* As discussed above, the Department requests the elimination of this line item and the transfer of funds and FTE to the proposed Clean Water Program, Personal Services line item. For the base, the Department requests continuation level funding calculated pursuant to OSPB's budget instructions. The following state-wide requests impact this line item:

- restoring one-time savings associated with statewide furloughs in FY 2009-10;
- a reduction associated with the statewide information technology staff consolidation; and

- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Staff Recommendation:* As discussed with decision item #3 on page 27, staff recommends that the **Committee deny the request to consolidate this line item into the proposed Clean Water Program.** Staff argues that because Administration serves the proposed Clean Water Program subdivision and the existing Drinking Water Program subdivision it makes more sense to keep Administration separate. **For the base, staff recommends continuation level funding pursuant to the JBC's common policies, with adjustments for the state-wide requests.** Staff's recommendation varies from the requested continuation level because of an adjustment to the PERA reduction associated with the statewide information technology staff consolidation, pursuant to JBC common policy. The components of staff's recommendation are summarized in the table below. The source of cash funds is the Water Quality Control Fund.

<b>Summary of (6) Water Quality Control Division, (A) Administration Personal Services Recommendation</b>						
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
FY 2009-10 Long Bill	\$938,029	\$530,699	\$194,824	\$0	\$212,506	13.8
FY 2009-10 Supplemental	(25,914)	(15,069)	(5,489)	0	(5,356)	0.0
Reverse FY 2009-10 Supplemental	25,914	15,069	5,489	0	5,356	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
SWNPDI - IT Staff	(197,319)	0	0	0	(197,319)	(2.6)
Reduction in employer's PERA contribution (2.5%)	(18,371)	(12,244)	(4,460)	0	(1,667)	0.0
Decision Item #3 (Long Bill Realignment)	0	0	0	0	0	0.0
<b>Total Recommendation</b>	<b>\$722,339</b>	<b>\$518,455</b>	<b>\$190,364</b>	<b>\$0</b>	<b>\$13,520</b>	<b>11.2</b>

### **Operating Expenses**

This line item funds non-personnel operating costs for the Administration subdivision.

*Request:* As discussed above with decision item #3 (see the discussion on page 27), the Department requests the elimination of this line item and the transfer of funds to the newly proposed Clean Water Program, Operating Expenses line item. For the base, the Department requests a continuation appropriation of \$52,356 cash funds, unchanged from FY 2009-10, according to OSPB's common policies.

*Recommendation:* As discussed with decision item #3 on page 27, staff recommends that the **Committee deny the request to consolidate this line item into the proposed Clean Water**

**Program.** Staff argues that because Administration serves the proposed Clean Water Program subdivision and the existing Drinking Water Program subdivision it makes more sense to keep Administration separate. **For the base staff recommends continuation level funding pursuant to the JBC's common policies.**

**Indirect Cost Assessment**

This line reflects the amount of indirect cost assessments made against cash and federal funding sources within the division. The funds collected here are used to offset General Fund that would otherwise be required in Administration and Support.

*Request:* The Department requests a continuation appropriation for indirect costs although the proposed realignment (decision item #3) would create a new subdivision containing only the indirect costs line item.

*Staff Recommendation:* **Staff requests permission to work with the Department to finalize the indirect cost amount once Committee has taken final action on all line items. Staff further recommends that the Committee continue to appropriate indirect costs within the Administration subdivision.**

**(B) Watershed Assessment, Outreach, and Assistance**

This section is responsible for monitoring, assessment, and outreach activities. The Monitoring Program is developing an inventory of water quality for Colorado's water bodies; collects water samples to summarize chemical, physical, and biological conditions; and analyzes the data to establish Total Maximum Daily Loads which are used to establish new or revised standards and classifications for state waters. The Assessment Program is responsible for evaluating the status of surface and ground waters and for recommending water quality standards. The Outreach Program is responsible for financial assistance programs for domestic wastewater facilities, drinking water providers, and a wide variety of storm water and nonpoint sources.

**Personal Services**

This line item funds personnel-related costs for the Watershed Assessment, Outreach, and Assistance subdivision.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Accounting	0.1	0.5	0.0	0.0
Administrative Support Staff	0.5	0.5	0.0	0.0
Engineer/Physical Science Tech.	3.1	4.1	0.0	0.0
Environ. Protection Specialists	6.3	7.5	0.0	0.0
Information Systems Staff	1.5	1.5	0.0	0.0

Staffing Summary	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Management	1.5	1.5	0.0	0.0
Physical Scientists	13.0	16.0	0.0	0.0
Professional Engineer	3.0	3.0	0.0	0.0
Staff / General Professionals	3.3	5.0	0.0	0.0
<b>TOTAL</b>	<b>32.3</b>	<b>39.6</b>	<b>0.0</b>	<b>0.0</b>

*Request:* As discussed above, the Department requests the elimination of this line item and the transfer of funds and FTE to the proposed Clean Water Program, Personal Services line item. For the base, the Department requests continuation level funding calculated pursuant to OSPB's budget instructions. The following state-wide requests impact this line item:

- restoring one-time savings associated with the 1.82 percent base personal services reduction in the FY 2009-10 Long Bill and statewide furloughs in FY 2009-10;
- a reduction associated with the statewide information technology staff consolidation; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Staff Recommendation:* **As discussed with decision item #3 on page 27, staff recommends that the Committee approve the request to consolidate this line item into the proposed Clean Water Program, Personal Services line item.** The consolidation of the Watershed Assessment, Outreach and Assistance subdivision and the Permitting and Compliance Assurance Subdivision will allow the Department flexibility to adapt to changing circumstances and demands on the two programs.

**For the base, staff recommends continuation level funding pursuant to the JBC's common policies, with adjustments for the state-wide requests.** The components of staff's recommendation are summarized in the table below. The source of cash funds is the Water Quality Control Fund. The source of reappropriated funds is cash funds transferred from the Department of Agriculture.

Summary of (6) Water Quality Control Division, (B) Watershed Assessment, Outreach, and Assistance Personal Services Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
FY 2009-10 Long Bill	\$2,915,489	\$349,029	\$441,227	\$38,249	\$2,086,984	39.6
Restore 1.82% base reduction	15,241	6,366	8,167	708	0	0.0
FY 2009-10 Supplemental	(59,138)	(4,512)	(5,021)	708	(50,313)	0.0
Reverse FY 2009-10 Supplemental	59,138	4,512	5,021	(708)	50,313	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
SWNPDI - IT Staff	(84,375)	0	0	0	(84,375)	(1.0)
Reduction in employer's PERA contribution (2.5%)	<u>(59,286)</u>	<u>(8,838)</u>	<u>(10,715)</u>	<u>0</u>	<u>(39,733)</u>	<u>0.0</u>
Total Continuation	2,787,069	346,557	438,679	38,957	1,962,876	38.6

Summary of (6) Water Quality Control Division, (B) Watershed Assessment, Outreach, and Assistance Personal Services Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
Decision Item #3 (Long Bill Realignment - transfer to Clean Water Program, Personal Services)	(2,787,069)	(346,557)	(438,679)	(38,957)	(1,962,876)	(38.6)
<b>Total Recommendation</b>	\$0	\$0	\$0	\$0	\$0	0.0

### Operating Expenses

This line item funds non-personnel operating costs for the Watershed Assessment, Outreach, and Assistance subdivision.

*Request:* As discussed above with decision item #3 (see the discussion on page 27), the Department requests the elimination of this line item and the transfer of funds to the newly proposed Clean Water Program, Operating Expenses line item. For the base, the Department requests a continuation appropriation of \$525,768 total funds, unchanged from FY 2009-10.

*Recommendation:* As discussed with decision item #3 on page 27, staff recommends that the Committee approve the request to consolidate this line item into the proposed Clean Water Program subdivision. For the base staff recommends continuation level funding pursuant to the JBC's common policies.

Summary of (6) Water Quality Control Division, (B) Watershed Assessment, Outreach, and Assistance Operating Expenses Recommendation					
	TOTAL	GF	CF	RF	FF
FY 2009-10 Long Bill	\$525,768	\$376,207	\$1,000	\$1,675	\$146,886
(no change)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Continuation	525,768	376,207	1,000	1,675	146,886
Decision Item #3 (Long Bill Realignment - transfer to Clean Water Program, Operating Expenses)	(525,768)	(376,207)	(1,000)	(1,675)	(146,886)
<b>Total Recommendation</b>	\$0	\$0	\$0	\$0	\$0

### Local Grants and Contracts

This line item is used to provide grants to local entities for Section 604(b) Area-wide Water Quality Management Planning and Non-point Source Control Demonstration Grants. Both of these activities are driven by the federal Clean Water Act and are funded with federal funds provided by the EPA. Activities supported by these grants include area-wide water quality planning; population projections

and analysis of the impact on construction permits and water facility capacity; and sampling, lab analysis, and triennial review of water basins in the state.

*Request:* As discussed above with decision item #3 (see the discussion on page 28), the Department requests the elimination of this line item and the transfer of funds to the proposed Clean Water Program, Grants and Contracts line item. For the base, the Department requests a continuation appropriation of \$2,136,456 federal funds, unchanged from FY 2009-10.

***Recommendation:*** As discussed with decision item #3 on page 28, staff recommends that the Committee deny the request to consolidate this line item and the Water Quality Improvement line item. Staff does recommend moving the separate line items to the proposed Clean Water Program subdivision. For the base staff recommends the requested continuation level funding pursuant to the JBC's common policies. The components of staff's recommendation are shown in the following table.

<b>Summary of (6) Water Quality Control Division, (B) Watershed Assessment, Outreach, and Assistance Local Grants and Contracts Recommendation</b>					
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
FY 2009-10 Long Bill	\$2,136,456	\$0	\$0	\$0	\$2,136,456
(no change)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Continuation	2,136,456	0	0	0	2,136,456
Decision Item #3 (Long Bill Realignment - <i>transfer to Clean Water Program, Grants and Contracts</i> )	0	0	0	0	0
<b>Total Recommendation</b>	\$2,136,456	\$0	\$0	\$0	\$2,136,456

**Water Quality Improvement**

This program began in FY 2006-07 with the passage of H.B. 06-1337, Water Quality Improvement Fund Penalties (Butcher/Entz). The bill specifies the factors on which to base penalties for violations of water quality control provisions and requires the Department to spend collected civil penalties on improving the water quality in impacted communities by awarding grants or providing matching funds for certain federal programs. The bill provides for five percent of the penalties to cover administrative costs of the Department. The source of cash funds is the Water Quality Improvement Fund.

*Request:* As discussed above with decision item #3 (see the discussion on page 28), the Department requests the elimination of this line item and the transfer of funds to the newly proposed Clean Water Program, Grants and Contracts line item. For the base, the Department requests a continuation appropriation of \$117,196 cash funds, unchanged from FY 2009-10.



**Recommendation:** As discussed with decision item #3 on page 28, staff recommends that the Committee deny the request to consolidate this line item with the Local Grants and Contracts line item. Staff does recommend moving the separate line items to the proposed Clean Water Program subdivision. For the base staff recommends the requested continuation level funding pursuant to the JBC's common policies. The components of staff's recommendation are shown in the following table.

<b>Summary of (6) Water Quality Control Division, (B) Watershed Assessment, Outreach, and Assistance Water Quality Improvement Recommendation</b>					
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
FY 2009-10 Long Bill	\$117,196	\$0	\$117,196	\$0	\$0
(no change)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Continuation	117,196	0	117,196	0	0
Decision Item #3 (Long Bill Realignment - <i>transfer to Clean Water Program, Grants and Contracts</i> )	0	0	0	0	0
<b>Total Recommendation</b>	\$117,196	\$0	\$117,196	\$0	\$0

**(C) Permitting and Compliance Assurance**

This section is responsible for issuing discharge permits, monitoring compliance with permits, conducting inspections, providing technical assistance, and pursuing enforcement actions, as necessary.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Administrative Support Staff	3.0	3.0	0.0	0.0
Accounting	0.2	0.2	0.0	0.0
Environ. Protection Specialists	27.1	25.1	0.0	0.0
Information Systems Staff	2.0	2.0	0.0	0.0
Management	0.3	0.3	0.0	0.0
Engineer/Physical Scientists	1.3	1.3	0.0	0.0
Physical Scientist	2.3	2.3	0.0	0.0
Professional Engineers	9.1	9.0	0.0	0.0
Staff / General Professionals	1.3	1.3	0.0	0.0
<b>TOTAL</b>	<b>46.6</b>	<b>44.5</b>	<b>0.0</b>	<b>0.0</b>

## **Personal Services**

This line item funds personnel-related costs for the Permitting and Compliance Assurance subdivision. Cash funds are from the Water Quality Control Fund, the Biosolids Management Program Fund, fees collected by the Industrial Pretreatment Program, and various other sources.

*Request:* With decision item #1 (Water Quality Control Fund, discussed below), the Department requests an increase of \$199,032 cash funds from the Water Quality Control Fund to fill 3.0 vacant FTE to process water discharge permits. As discussed above, with decision item #3 (Long Bill Realignment) the Department requests the elimination of this line item and the transfer of most of the funds and FTE from this line item to the newly proposed Clean Water Program, Personal Services line item. Decision item #3 also transfers \$302,964 cash funds and 3.0 FTE from this line item to the proposed Animal Feeding Operations line item within the Special Environmental Programs under the Administration and Support division. For the base, the Department requests continuation level funding calculated pursuant to OSPB's budget instructions. The following state-wide requests impact this line item:

- restoring one-time savings associated with the 1.82 percent base personal services reduction in the FY 2009-10 Long Bill and statewide furloughs in FY 2009-10;
- a reduction associated with the statewide information technology staff consolidation; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

### **DI #1: WATER QUALITY CONTROL FUND**

*Request:* The Department requests \$199,032 cash funds from the Water Quality Control Fund to fill 3.0 vacant discharge permitting FTE that the Department does not have sufficient spending authority to fill. In part as a result of hiring staff above the range minimum salary, the Department has accumulated the 3.0 vacant FTE without sufficient spending authority to fill the positions.

*Background:* Two major pieces of federal legislation regulate water quality - the federal Clean Water Act (CWA) and the federal Safe Drinking Water Act (SDWA) - along with one main piece of state legislation, the Water Quality Control Act (WQCA). Colorado has received "primacy," or authority, from EPA to implement the CWA and the SDWA. Primacy allows states to: develop programs tailored to their particular needs; have flexibility in permit development and enforcement actions; and respond quickly to local needs and emergencies. If a state program fails to implement or adequately maintain certain program elements over time, EPA may revoke primacy and reclaim responsibility for some or all program elements.<sup>1</sup>

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<sup>1</sup> Please note that Section 25-8-507, C.R.S., effectively states that if the EPA revokes primacy for any portion of the water quality program, statutory authority for all program elements will be revoked. This action would essentially forfeit the entire program to EPA control.

Decision item #1 relates specifically to the Clean Water Act and the delegation of authority to implement the National Pollutant Discharge Elimination System (NPDES). The CWA requires states to adopt water quality standards based on waterbody use. These standards are implemented principally through state-issued permits to sources that discharge pollutants into waterways at a specific point ("point sources"). There are also pretreatment requirements for industrial sources that discharge pollutants into municipal sewer systems. The EPA also requires states to develop programs to address pollution from diffuse or "non-point" sources, such as run-off from paved surfaces. The Division's programmatic components for the CWA include: water quality monitoring and assessment; permitting; compliance assistance/assurance and enforcement; the non-point source program; financial assistance programs; and watershed planning.

*Analysis:* The Department's argument in support of the decision item is that the permitting program has a large and growing backlog of permits awaiting action. Although the permits fall into a variety of categories (individual permits for specific entities, general permits covering many similar entities, certifications for permittees covered under general permits, etc.), the Department tracks a single backlog number calculated as the percentage of permits in hand that are beyond the Department's deadlines for issuance.

The Department's goal is to issue all *new* permits within 180 days of the receipt of the application and all *renewal* permits within 180 days of the expiration of the existing permit (permits last five years). Doing so for all permits would mean the division had no backlog. The Department is well short of that goal. As of July 1, 2009, the backlog stood at 17 percent. By October 1, 2009 the backlog had grown to 19.7 percent. The number of permit applications fluctuates significantly from year to year because of the five year cycle for renewals, economic factors, etc., making comparisons between years difficult. The following table shows the number of permit applications received per year for federal fiscal years 2000-01 through 2008-09, as well as the backlogs as of October 1 of each year (2001 through 2009).

	2001	2002	2003	2004	2005	2006*	2007	2008	2009
Renewal	74	136	43	192	105	298	312	100	47
New	287	325	320	405	495	528	893	684	446
Amend.	<u>56</u>	<u>51</u>	<u>96</u>	<u>109</u>	<u>157</u>	<u>169</u>	<u>139</u>	<u>118</u>	<u>252</u>
Total	417	512	459	706	757	995	1344	902	745
Oct. 1 Backlog (%)	32	25	21	26	12	20	20.4	16.8	19.7

\* According to the Department, the change from FFY 2005 to FFY 2006 is the result of a change in EPA's required method of calculating the backlog rather than an actual change in the number of permits.

The Department makes three points regarding the impact of the permit backlog (staff's response follows each point):

- *Federal funding and primacy.* According to the Department, EPA has set a limit for the water division's permit backlog at 10 percent and continued growth in the backlog could result in the loss of the division's federal funds or the loss of primacy for water quality programs. The Department argues that the loss of funds and/or primacy would result in worse service to permittees because the state's permitting and regulatory process is specifically based on Colorado's needs and the Department is more responsive than EPA.
- *Staff response.* Staff does not find this particularly compelling as an argument *for the request submitted by the Department*. The Department has said that some policy changes at EPA and the high degree of publicity surrounding water issues may make revocation of funds more likely. Staff does not have a way to evaluate the likelihood of a loss of funds but is skeptical that it would be imminent. In addition, the Department estimates that the backlog will continue to grow *with or without the requested staff*. Based on the workload required to process typical permits, the Department estimates that the backlog would grow to 35 percent by October 2012 even with the requested staff and would reach approximately 54 percent without the requested increase in staff. The Department argues that EPA would see the additional staff (and reduced *growth* in the backlog) as a good faith effort toward compliance but staff is not convinced that it would significantly change the dynamic between the Department and EPA relative to the status quo. The Department acknowledges that the request is not sufficient to reduce the backlog from current levels, much less meet the EPA level of 10 percent, and estimates that 6.5 *additional* permitting FTE would be necessary to begin to reduce the backlog and 16.0 FTE (13.0 above the request) to address the Permitting and Compliance Assurance program's needs.
- *Environment and public health.* Because existing permittees continue to operate under the existing permit until the Department approves a renewal, new permit conditions do not apply until the renewed permit actually makes it through the process. Thus, even if the Department strengthens water quality standards, existing permittees will not have to comply with the updated standards until their current permits have both expired *and been renewed*. Because the Department prioritizes new permits over renewals (see next point), permittees may operate under expired permits for significant amounts of time, in some cases for years.
- *Staff response.* Staff finds this to be a more compelling argument than the federal funding issue because any incremental improvement in turnaround time for permit renewals would yield environmental and public health benefits if the new permits are more protective than the existing permits. Staff notes that permittees operating under an existing permit are unlikely to complain about long waits for renewals unless there is a requested expansion or change in operations that cannot proceed under the existing permit. This creates a different policy and political environment than in other areas where the state issues permits (for example, permits to drill for oil and gas or even new water discharge permits). This dynamic likely presents an impediment to any attempt to address the division's core staffing problem through cash funds from fees because the permittees may not be unhappy enough with the status quo to be willing to pay more in fees.

- *Impact on industry and economy.* Applicants for new permits, and companies seeking to expand operations, must wait to begin or expand operations until the permit is approved. In these cases, long waits for permit approvals may be costly to the applicant.
- *Staff response.* Based on staff's discussions with the Department, this does not appear to be a major concern at this point because the division prioritizes new permit applications to alleviate this very concern. Staff has not heard from permit applicants pressing for faster turnaround times and more staff.

The Department is in a difficult position. The permit program is not meeting EPA's requirements for the backlog and the situation is getting worse. The requested staff would slow the growth of the backlog but it would still roughly double from 17 percent in July 2009 to 34 percent in 2012 according to the Department's estimates. Asking for additional staff above the 3.0 vacant FTE does not appear to be feasible without increasing fees which requires legislation. There is not General Fund available. As a result of the above factors, the Department has submitted a proposal that appears to be manageable within fee revenues for several years without a fee increase and does not require an increase in appropriated FTE. That said, the request only slows the growth of a problem.

For the short term, funding the additional staff from cash funds appears to make sense. For the longer term, however, staff is concerned about the trajectory of this program. Barring large increases in General Fund appropriations, significantly improving permit processing times would require legislative increases in fees. At this point, permittees have little reason to agree to fee increases because the status quo appears to be satisfactory for their interests. As long as the status quo persists the division will continue to issue permits but will be unable to meet, or even come close to, EPA's requirements and water quality will suffer.

***Staff Recommendation:* Staff recommends that the Committee approve the request for additional cash fund spending authority to fill the 3.0 vacant positions in FY 2010-11 in order to "slow the bleeding."** The recommendation is slightly below the request (see table below) because staff has reduced the estimated PERA contribution by 2.5 percent pursuant to Committee common policy. **While staff is recommending approval of the request as a temporary measure, staff also recommends that the Committee push the Department and the relevant stakeholders to bring forward fee legislation as soon as possible but no later than January 2011. If the affected parties cannot reach agreement on a legislative proposal that will address these problems with fee revenues, then staff expects to recommend that the Committee eliminate the program and return responsibility to the EPA in FY 2011-12.** The components of staff's recommendation for the decision item are shown in the following table.

**Request vs. Recommendation for DI #1 (Water Quality Control Fund)**

FY 2010-11 Request				Staff Recommendation		
	Cost/Rate	FTE	Total Cost	Cost/Rate	FTE	Total Cost
Salary EPS II	\$59,448	3.0	\$178,344	\$59,448	3.0	\$178,344
PERA	10.15%		18,102	7.65%		13,643
Medicare	1.45%		<u>2,586</u>	1.45%		<u>2,586</u>
<b>Total</b>			<b>\$199,032</b>			<b>\$194,573</b>

**Outside of decision item #1, staff recommends that the Committee approve the request to consolidate this line item into the proposed Clean Water Program subdivision. Staff also recommends the requested transfer of funds and FTE to the Animal Feeding Operations line item under Special Environmental Programs. For the base, staff recommends continuation level funding pursuant to the JBC's common policies, with adjustments for the state-wide requests.** The components of staff's recommendation for the line item are summarized in the following table. The source of cash funds is the Water Quality Control Fund.

Summary of (6) Water Quality Control Division, (C) Permitting and Compliance Assurance Personal Services Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
FY 2009-10 Long Bill	\$3,655,198	\$195,620	\$3,026,602	\$0	\$432,976	44.5
H.B. 09-1330	29,853	0	29,853	0	0	0.0
Restore 1.82% base reduction	57,415	3,453	53,962	0	0	0.0
FY 2009-10 Supplemental	(39,190)	(2,268)	(18,347)	0	(18,575)	0.0
Reverse FY 2009-10 Supplemental	39,190	2,268	18,347	0	18,575	0.0
DI #1 - Water Quality Control Fund	194,573	0	194,573	0	0	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
SWNPDI - IT Staff	(11,073)	0	0	0	(11,073)	(0.1)
Reduction in employer's PERA contribution (2.5%)	<u>(78,340)</u>	<u>(4,649)</u>	<u>(58,751)</u>	<u>0</u>	<u>(14,940)</u>	<u>0.0</u>
Total before realignment	3,847,626	194,424	3,246,239	0	406,963	44.4
DI #3 - Realignment ( <i>transfer to Administration and Support, Special Environmental Programs, Animal Feeding Operations (AFO) Program line item</i> )	(302,964)	0	(302,964)	0	0	(3.0)

Summary of (6) Water Quality Control Division, (C) Permitting and Compliance Assurance Personal Services Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
DI #3 - Realignment ( <i>transfer to Clean Water Program, Personal Services line item</i> )	(3,544,662)	(194,424)	(2,943,275)	0	(406,963)	(41.4)
<b>Total Recommendation</b>	\$0	\$0	\$0	\$0	\$0	0.0

### Operating Expenses

This line item funds non-personnel related costs for the Permitting and Compliance Assurance subdivision. Cash funds are from the Water Quality Control Fund, the Biosolids Management Program Fund, fees collected by the Industrial Pretreatment Program, and various other sources.

*Request:* As discussed above with decision item #3 (see the discussion on page 27), the Department requests the elimination of this line item and the transfer of most of the funding to the newly proposed Clean Water Program, Operating Expenses line item. The decision item also proposes a transfer of \$100,000 General Fund and \$12,649 cash funds to the proposed Animal Feeding Operations line item under Administration and Support, Special Environmental Programs. For the base, the Department requests a continuation appropriation of \$525,768 total funds, unchanged from FY 2009-10.

*Recommendation:* As discussed with decision item #3 on page 27, staff recommends that the Committee approve the request to consolidate this line item into the proposed Clean Water Program, Operating Expenses line item. Staff also recommends the requested transfer to Administration and Support, Special Environmental Programs, Animal Feeding Operations. For the base staff recommends continuation level funding pursuant to the JBC's common policies. The following table shows the components of staff's recommendation for the Operating Expenses line item.

Summary of (6) Water Quality Control Division, (C) Permitting and Compliance Assurance Operating Expenses Recommendation					
	TOTAL	GF	CF	RF	FF
FY 2009-10 Long Bill	\$383,866	\$227,706	\$124,996	\$0	\$31,164
(No change)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total before realignment	383,866	227,706	124,996	0	31,164
DI #3 - Realignment ( <i>transfer to Administration and Support, Special Environmental Programs, Animal Feeding Operations (AFO) Program line item</i> )	(112,649)	(100,000)	(12,649)	0	0

<b>Summary of (6) Water Quality Control Division, (C) Permitting and Compliance Assurance Operating Expenses Recommendation</b>					
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
DI #3 - Realignment ( <i>transfer to Clean Water Program, Personal Services line item</i> )	(271,217)	(127,706)	(112,347)	0	(31,164)
<b>Total Recommendation</b>	\$0	\$0	\$0	\$0	\$0

#### **(D) Drinking Water Program**

The Drinking Water Program is established under the Federal Safe Drinking Water Act; it implements measures to ensure that public water systems throughout the state provide safe drinking water.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Accounting	0.1	0.1	0.1	0.1
Administrative Support Staff	2.7	2.7	2.7	2.7
Environ. Protection Specialists	20.3	16.0	16.0	16.0
Information Systems Staff	1.6	2.2	0.0	0.0
Management	1.7	1.7	1.7	1.7
Physical Scientists	4.6	2.0	2.0	2.0
Professional Engineers	17.9	13.2	13.2	13.2
Staff / General Professionals	7.0	7.0	7.0	7.0
<b>TOTAL</b>	<b>55.9</b>	<b>44.9</b>	<b>42.7</b>	<b>42.7</b>

#### **Personal Services**

This line item funds personnel-related costs for the Drinking Water Program. Cash funds are from the Drinking Water Cash Fund.

*Request:* The Department requests continuation level funding calculated pursuant to OSPB's budget instructions. The following state-wide requests impact this line item:

- restoring one-time savings associated with the 1.82 percent base personal services reduction in the FY 2009-10 Long Bill and statewide furloughs in FY 2009-10;
- a reduction associated with the statewide information technology staff consolidation; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).



*Staff Recommendation:* **Staff recommends continuation level funding pursuant to the JBC's common policies, with adjustments for the state-wide requests.** Staff's recommendation is \$5,313 federal funds above the request because of an adjustment to the PERA reduction associated with the statewide information technology staff consolidation, pursuant to JBC common policy. The components of staff's recommendation are shown in the following table.

<b>Summary of (6) Water Quality Control Division, (D) Drinking Water Program Personal Services Recommendation</b>						
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
FY 2009-10 Long Bill	\$3,294,195	\$871,431	\$341,943	\$0	\$2,080,821	44.9
Restore 1.82% base reduction	21,971	16,034	5,937	0	0	0.0
FY 2009-10 Supplemental	(120,237)	(6,993)	(3,120)	0	(110,124)	0.0
Reverse FY 2009-10 Supplemental	120,237	6,993	3,120	0	110,124	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
SWNPDI - IT Staff	(187,186)	0	0	0	(187,186)	(2.2)
Reduction in employer's PERA contribution (2.5%)	(110,232)	(18,710)	(7,359)	0	(84,163)	0.0
<b>Total Recommendation</b>	<b>\$3,018,748</b>	<b>\$868,755</b>	<b>\$340,521</b>	<b>\$0</b>	<b>\$1,809,472</b>	<b>42.7</b>

### **Operating Expenses**

This line item funds non-personnel costs in the Drinking Water Program.

*Request:* The Department requests a continuation appropriation, unchanged from FY 2009-10, according to OSPB's common policies.

*Recommendation:* **Staff recommends the request**, calculated pursuant to JBC common policy.

### **(7) HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION**

The Hazardous Materials and Waste Management Division is responsible for the development and implementation of the state's hazardous and nonhazardous waste management and remediation programs. It operates the Hazardous Waste Control Program, Solid Waste Control Program, Uranium Mill Tailing Remedial Action (UMTRA) Program, and the Radiation Management Program, and is responsible for the administration and oversight of a number of contaminated sites throughout the State.

#### **(A) Administration**

This Office provides division-wide administrative and management support services.

**Program Costs**

This program line item funds personal services and operating expenses for Administration. Cash funds are from the Radiation Control Fund, the Solid Waste Management Fund, the Hazardous Waste Commission Fund, the Hazardous Substance Response Fund, the Hazardous Waste Service Fund, and various other sources.

Staffing Summary	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Program Assistant	0.2	0.2	0.2	0.2
Staff / General Professionals	1.2	3.2	3.2	3.2
<b>TOTAL</b>	<b>1.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>

*Request:* The Department requests continuation level funding calculated pursuant to OSPB's budget instructions. The following state-wide requests impact this line item:

- restoring one-time savings associated with statewide furloughs in FY 2009-10; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Staff Recommendation:* **Staff recommends continuation level funding pursuant to the JBC's common policies, with adjustments for the state-wide requests.** The recommendation was calculated in accordance with Committee policy and is summarized below.

Summary of (8) Hazardous Materials and Waste Management Division, (A) Administration Program Costs Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
FY 2009-10 Long Bill	\$321,186	\$0	\$298,720	\$0	\$22,466	3.4
FY 2009-10 Supplemental	(2,979)	0	(2,979)	0	0	0.0
Reverse FY 2009-10 Supplemental	2,979	0	2,979	0	0	0.0
Fund split adjustment	0	0	(40,000)	40,000	0	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
Reduction in employer's PERA contribution (2.5%)	(4,221)	0	(4,221)	0	0	0.0
<b>Total Recommendation</b>	<b>\$316,965</b>	<b>\$0</b>	<b>\$254,499</b>	<b>\$40,000</b>	<b>\$22,466</b>	<b>3.4</b>

**Legal Services**

This line item provides for legal expenses provided by the Department of Law for the Hazardous Materials and Waste Management Division.

*Request:* The Department requests a continuation appropriation for 6,145 hours of legal services, equal to the FY 2009-10 appropriation.

*Staff Recommendation:* **Staff recommends the requested appropriation of 6,145 hours, with the dollar amount pending Committee common policy decision making.**

**Indirect Cost Assessment**

This line reflects the amount of indirect cost assessments made against cash and federal funding sources within the division. The funds collected here are used to offset General Fund that would otherwise be required in the Administration and Support Division.

*Request:* The Department's request reflects the statewide and departmental indirect cost plan.

*Recommendation:* **Staff requests permission to work with the Department to finalize the indirect cost amount once the Committee has taken final action on all line items.**

**(B) Hazardous Waste Control Program**

The Hazardous Waste Control Program is responsible for four primary program activities: permitting, compliance assurance, corrective action, and compliance assistance. This program monitors compliance and enforces hazardous waste regulations over 500 large-quantity hazardous waste generators, 3,000 small generators, hazardous waste transporters, and over 50 hazardous waste treatment, storage and disposal facilities.

**Personal Services**

This line item funds personnel-related costs for the Hazardous Waste Control Program. Cash funds are from the Hazardous Waste Service Fund.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Administrative Support Staff	0.5	0.5	0.5	0.5
Budget & Policy Analyst	1.3	1.3	1.3	1.3
Environ. Protection Specialists	10.2	15.0	15.0	15.0
Information Systems Staff	1.3	0.7	0.0	0.0
Management	0.4	0.4	0.4	0.4
Physical Scientists	1.2	4.0	4.0	4.0

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Engineers	7.5	7.5	7.5	7.5
Program Assistants	0.1	0.3	0.3	0.3
Staff / General Professionals	12.2	13.0	13.0	13.0
<b>TOTAL</b>	<b>34.7</b>	<b>42.7</b>	<b>42.0</b>	<b>42.0</b>

*Request:* The Department requests continuation level funding calculated pursuant to OSPB's budget instructions. The following state-wide requests impact this line item:

- restoring one-time savings associated with the 1.82 percent base personal services reduction in the FY 2009-10 Long Bill and statewide furloughs in FY 2009-10;
- a reduction associated with the statewide information technology staff consolidation; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Staff Recommendation:* **Staff recommends continuation level funding pursuant to the JBC's common policies, with adjustments for the state-wide requests.** Staff's recommendation is \$1,873 total funds above the request because of an adjustment to the PERA reduction associated with the statewide information technology staff consolidation, pursuant to JBC common policy. The components of staff's recommendation are summarized in the table below.

<b>Summary of (8) Hazardous Materials and Waste Management Division, (B) Hazardous Waste Control Program, Personal Services Recommendation</b>						
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
FY 2009-10 Long Bill	\$3,810,598	\$0	\$2,174,137	\$0	\$1,636,461	42.7
Restore 1.82% base reduction	40,244	0	40,244	0	0	0.0
FY 2009-10 Supplemental	(45,502)	0	(4,929)	0	(40,573)	0.0
Reverse FY 2009-10 Supplemental	45,502	0	4,929	0	40,573	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
SWNPDI - IT Staff	(42,724)	0	(21,980)	0	(20,744)	(0.7)
Reduction in employer's PERA contribution (2.5%)	(67,795)	0	(35,698)	0	(32,097)	0.0
<b>Total Recommendation</b>	<b>\$3,740,323</b>	<b>\$0</b>	<b>\$2,156,703</b>	<b>\$0</b>	<b>\$1,583,620</b>	<b>42.0</b>

### **Operating Expenses**

This line item funds non-personnel costs for the Hazardous Waste Control Program. Cash funds are from the Hazardous Waste Service Fund.

*Request:* The Department requests a continuation appropriation, unchanged from FY 2009-10, according to OSPB's common policies.

*Recommendation:* **Staff recommends the request**, calculated pursuant to JBC common policy.

**(C) Solid Waste Control Program**

This program is responsible for all solid waste management facilities in Colorado, including landfills, composting facilities, recycling facilities, transfer facilities, certain types of waste surface impoundments, asbestos waste facilities, solid waste incinerators, medical waste facilities, and scrap tire haulers and disposal facilities. Duties include a permitting and review process for opening, closing, and expansion of facilities.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Administrative Support Staff	0.2	0.2	0.2	0.2
Budget & Policy Analyst	0.1	0.1	0.1	0.1
Environ. Protection Specialists	10.5	15.6	15.5	15.5
Information Systems Staff	0.6	0.6	0.0	0.0
Management	0.2	0.2	0.2	0.2
Professional Engineers	1.2	1.1	1.1	1.1
Staff / General Professionals	3.0	3.0	3.0	3.0
<b>TOTAL</b>	<b>15.8</b>	<b>20.8</b>	<b>20.1</b>	<b>20.1</b>

**Program Costs**

This line item funds personal services and operating expenses for the Solid Waste Control Program. Cash funds are from the Solid Waste Management Fund, the Hazardous Substance Response Fund, the Waste Tire Development Cash Fund, and cost recoveries for the review of permits and documents.

*Request:* The Department requests continuation level funding calculated pursuant to OSPB's budget instructions. The following state-wide requests impact this line item:

- restoring one-time savings associated with statewide furloughs in FY 2009-10;
- a reduction associated with the statewide information technology staff consolidation; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Staff Recommendation:* **Staff recommends continuation level funding pursuant to the JBC's common policies, with adjustments for the state-wide requests.** Staff's recommendation is \$910 cash funds above the request because of an adjustment to the PERA reduction associated with the

statewide information technology staff consolidation, pursuant to JBC common policy. The components of staff's recommendation are summarized in the table below.

<b>Summary of (8) Hazardous Materials and Waste Management Division, (C) Solid Waste Control Program Program Costs Recommendation</b>						
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
FY 2009-10 Long Bill	\$2,385,661	\$0	\$2,385,661	\$0	\$0	20.4
H.B. 09-1282	28,643	0	28,643	0	0	0.4
FY 2009-10 Supplemental	(37,909)	0	(37,909)	0	0	0.0
Reverse FY 2009-10 Supplemental	37,909	0	37,909	0	0	0.0
Annualize H.B. 09-1282	(28,643)	0	(28,643)	0	0	(0.4)
Base reduction (0.0%)	0	0	0	0	0	0.0
SWNPDI - IT Staff	(18,371)	0	(18,371)	0	0	(0.3)
Reduction in employer's PERA contribution (2.5%)	(29,891)	0	(29,891)	0	0	0.0
<b>Total Recommendation</b>	<b>\$2,337,399</b>	<b>\$0</b>	<b>\$2,337,399</b>	<b>\$0</b>	<b>\$0</b>	<b>20.1</b>

#### **(D) Uranium Mill Tailings Remedial Action Program**

This program provided for radioactive waste cleanup of seven Western Slope sites from 1991 to 1998. Now the program assists local governments in managing mill tailings that were not removed but which are disturbed during road work or other renewal or building activities.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Environ. Protection Specialists	1.1	1.7	1.7	1.7
Professional Engineer	0.1	0.1	0.1	0.1
Program Assistant	0.3	0.3	0.3	0.3
Staff / General Professionals	1.0	1.0	1.0	1.0
<b>TOTAL</b>	<b>2.5</b>	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>

#### **Program Costs**

This line item funds personal services and operating expenses for the Uranium Mill Tailings Remedial Action Program. Reappropriated funds are from the Local Government Severance Tax Fund, transferred from the Department of Local Affairs.

*Request:* The Department requests continuation level funding calculated pursuant to OSPB's budget instructions. The following state-wide requests impact this line item:

- restoring one-time savings associated with statewide furloughs in FY 2009-10;
- a reduction associated with the statewide information technology staff consolidation; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Staff Recommendation:* **Staff recommends continuation level funding pursuant to the JBC's common policies, with adjustments for the state-wide requests.** Staff's recommendation is \$122 total funds above the request because of an adjustment to the PERA reduction associated with the statewide information technology staff consolidation, pursuant to JBC common policy. The components of staff's recommendation are summarized in the table below.

<b>Summary of (8) Hazardous Materials and Waste Management Division, (D) Uranium Mill Tailings Remedial Action Program, Program Costs Recommendation</b>						
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
FY 2009-10 Long Bill	\$240,594	\$0	\$0	\$195,323	\$45,271	3.1
FY 2009-10 Supplemental	(5,541)	0	0	(4,798)	(743)	0.0
Reverse FY 2009-10 Supplemental	5,541	0	0	4,798	743	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
SWNPDI - IT Staff	(2,725)	0	0	(2,455)	(270)	0.0
Reduction in employer's PERA contribution (2.5%)	(4,380)	0	0	(3,790)	(590)	0.0
<b>Total Recommendation</b>	<b>\$233,489</b>	<b>\$0</b>	<b>\$0</b>	<b>\$189,078</b>	<b>\$44,411</b>	<b>3.1</b>

### **(E) Contaminated Site Cleanups**

The Contaminated Site Cleanups Program includes administration and oversight of cleanup at superfund sites; Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) litigation at the Rocky Mountain Arsenal; and CERCLA technical support to the Department of Law, the Natural Resource Damage Recovery Program, and the Hazardous Substance Response Fund. Funding provides for site assessments and review, compliance investigation, enforcement activities, data reporting, laboratory services, community relations, engineering design, groundwater modeling, disposal handling techniques, construction management and rule making coordination.

#### **Personal Services**

This line item funds personnel-related costs for the Contaminated Site Cleanups Program. Cash funds are from the Hazardous Substance Response Fund and from fees collected pursuant to the Colorado Open Records Act.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Administrative Support Staff	0.4	0.4	0.4	0.4
Budget & Policy Analyst	0.3	0.3	0.3	0.3
Environ. Protection Specialists	11.9	17.6	17.6	17.6
Information Systems Staff	1.2	0.6	0.0	0.0
Management	0.4	0.4	0.4	0.4
Physical Scientists	3.9	5.0	5.0	5.0
Professional Engineers	4.9	6.0	6.0	6.0
Statistical Analyst	0.1	0.1	0.1	0.1
Staff / General Professionals	6.0	8.0	8.0	8.0
<b>TOTAL</b>	<b>29.1</b>	<b>38.4</b>	<b>37.8</b>	<b>37.8</b>

*Request:* The Department requests continuation level funding calculated pursuant to OSPB's budget instructions. The following state-wide requests impact this line item:

- restoring one-time savings associated with the 1.82 percent base personal services reduction in the FY 2009-10 Long Bill and statewide furloughs in FY 2009-10;
- a reduction associated with the statewide information technology staff consolidation; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Staff Recommendation:* **Staff recommends continuation level funding pursuant to the JBC's common policies, with adjustments for the state-wide requests.** Staff's recommendation is \$1,433 total funds above the request because of an adjustment to the PERA reduction associated with the statewide information technology staff consolidation, pursuant to JBC common policy. The components of staff's recommendation are summarized in the table below.

<b>Summary of (8) Hazardous Materials and Waste Management Division, (E) Contaminated Site Cleanups, Personal Services Recommendation</b>						
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
FY 2009-10 Long Bill	\$4,542,462	\$0	\$1,167,347	\$0	\$3,375,115	38.4
Restore 1.82% FY 2009-10 base reduction	20,923	0	20,923	0	0	0.0
FY 2009-10 Supplemental	(43,608)	0	6,427	0	(50,035)	0.0
Reverse FY 2009-10 Supplemental	43,608	0	(6,427)	0	50,035	0.0
Annualize FY 2009-10 DI #5 (Argo Tunnel)	0	0	14,500	0	(14,500)	0.0



<b>Summary of (8) Hazardous Materials and Waste Management Division, (E) Contaminated Site Cleanups, Personal Services Recommendation</b>						
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
Base reduction (0.0%)	0	0	0	0	0	0.0
SWNPDI - IT Staff	(37,880)	0	(8,807)	0	(29,073)	(0.6)
Reduction in employer's PERA contribution (2.5%)	(50,998)	0	(11,440)	0	(39,558)	0.0
<b>Total Recommendation</b>	<b>\$4,474,507</b>	<b>\$0</b>	<b>\$1,182,523</b>	<b>\$0</b>	<b>\$3,291,984</b>	<b>37.8</b>

### **Operating Expenses**

This line item funds non-personnel operating expenses for the Contaminated Site Cleanups Program. Cash funds are from the Hazardous Substance Response Fund and from fees collected pursuant to the Colorado Open Records Act.

*Request:* The Department requests a continuation appropriation according to OSPB's common policies, with an annualization of FY 2009-10 decision item #5 (Operation and Maintenance of the Argo Tunnel Water Treatment Plant).

*Recommendation:* **Staff recommends the request**, calculated pursuant to JBC common policy. The components of staff's recommendation are summarized in the following table.

<b>Summary of (8) Hazardous Materials and Waste Management Division, (E) Contaminated Site Cleanups Operating Expenses Recommendation</b>					
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
FY 2009-10 Long Bill	\$222,991	\$0	\$52,082	\$0	\$170,909
Annualize FY 2009-10 DI #5	0	0	1,300	0	(1,300)
<b>Total Recommendation</b>	<b>\$222,991</b>	<b>\$0</b>	<b>\$53,382</b>	<b>\$0</b>	<b>\$169,609</b>

### **Contaminated Sites Operation and Maintenance**

This line item funds the long-term operation and maintenance at Superfund sites upon completion of remedies when there is no responsible party that can assume the costs. The line funds contractual services. Cash funds are from the Hazardous Substance Response Fund and from fees collected pursuant to the Colorado Open Records Act.

*Request:* The Department requests a continuation appropriation according to OSPB's common policies, with an annualization of FY 2009-10 decision item #5 (Operation and Maintenance of the Argo Tunnel Water Treatment Plant) and an FY 2009-10 supplemental making a technical correction to the appropriation. For the technical correction (submitted as FY 2009-10 supplemental request #5 and FY 2010-11 budget amendment #3), the Department requests a reduction of \$15,000 cash funds *on top of* a reduction of \$51,000 cash funds taken in FY 2009-10 to transfer appropriations for utilities

costs at the Argo Tunnel Water Treatment Plant to the Utilities line item within the Administration and Support Division.

**Recommendation:** Staff recommends the request, calculated pursuant to JBC common policy, including the additional transfer of funds to Administration and Support for utilities costs at the Argo Tunnel Water Treatment Plant. Utilities costs at the treatment plant are more appropriately housed in the Utilities line item. The components of staff's recommendation are summarized in the following table.

<b>Summary of (8) Hazardous Materials and Waste Management Division, (E) Contaminated Site Cleanups Contaminated Sites Operation and Maintenance Recommendation</b>						
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	
FY 2009-10 Long Bill	\$2,088,864	\$0	\$1,191,186	\$0	\$897,678	
FY 2009-10 Supplemental (technical correction)	(51,000)	0	(51,000)	0	0	
Annualize FY 2009-10 Supplemental (submitted as FY 2010-11 BA #3)	(15,000)	0	(15,000)	0	0	
Annualize FY 2009-10 DI #5 (Argo Tunnel)	0	0	434,000	0	(434,000)	
<b>Total Recommendation</b>	<b>\$2,022,864</b>	<b>\$0</b>	<b>\$1,559,186</b>	<b>\$0</b>	<b>\$463,678</b>	

**Transfer to the Department of Law for CERCLA Contract Oversight-Related Costs**

This line item provides funding transferred to the Department of Law for oversight of contracts for contaminated sites cleanup under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The program in the Department of Law has specific authority over ten sites around the state as a result of litigation. Cash funds are from the Hazardous Substance Response Fund and from fees collected pursuant to the Colorado Open Records Act.

**Request:** The Department requests a continuation appropriation at the same level as the FY 2009-10 Long Bill (\$425,000 cash funds). The request eliminates \$95,000 total funds (\$75,000 cash funds and \$20,000 federal funds) provided through the FY 2009-10 supplemental for services in FY 2009-10.

**Recommendation:** Staff recommends the request, calculated pursuant to JBC common policy, for a continuation of FY 2009-10 Long Bill funding levels.

**(F) Rocky Flats Agreement**

This federally-funded section historically was used to pay for oversight of the cleanup at the Rocky Flats Environmental Technology Site (formerly the Rocky Flats Plant). All physical remedial activities at Rocky Flats were completed in October of 2005. The Comprehensive Risk Assessment

and Remediation Feasibility Study was completed and approved on July 5, 2006. All hazardous waste units (tanks, storage pads, etc.) were closed and the Hazardous Waste Permit was terminated on July 26, 2006.

The Record of Decision (ROD) was signed by EPA, DOE, and CDPHE on September 29, 2006. The Record of Decision requires no further remedial action. The post-closure agreement implementing the requirements of the ROD is the Rocky Flats Legacy Management Agreement (RFLMA). The ROD identified two main areas on the site: one is completely clean and will be managed by U.S. Fish and Wildlife Service as a Wildlife Refuge, the other will be retained by the Department of Energy and managed by its Office of Legacy Management.

The Division continues to have a regulatory oversight role in the implementation of the RFLMA and in coordination with local communities and the EPA. The Division is responsible for monitoring long-term operations and maintenance of continuing remedy components (i.e., ground water cleanups, landfill caps), and closing out the administrative aspects of the regulatory process for site remediation.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Staff/General Professional	0.3	1.0	1.0	1.0
Environ. Protection Specialists	0.9	1.3	1.3	1.3
<b>TOTAL</b>	<b>0.9</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>

**Rocky Flats Program Costs**

This line item funds personal services and operating expenses for the Rocky Flats Agreement.

*Request:* The Department requests continuation level funding calculated pursuant to OSPB's budget instructions. The following state-wide requests impact this line item:

- restoring one-time savings associated with statewide furloughs in FY 2009-10;
- a reduction associated with the statewide information technology staff consolidation; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Staff Recommendation:* **Staff recommends continuation level funding pursuant to the JBC's common policies, with adjustments for the state-wide requests.** Staff's recommendation is \$73 federal funds above the request because of an adjustment to the PERA reduction associated with the statewide information technology staff consolidation, pursuant to JBC common policy. The components of staff's recommendation are summarized in the table below.

<b>Summary of (8) Hazardous Materials and Waste Management Division, (F) Rocky Flats Agreement, Program Costs Recommendation</b>						
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
FY 2009-10 Long Bill	\$244,781	\$0	\$0	\$0	\$244,781	2.3
FY 2009-10 Supplemental	(3,367)	0	0	0	(3,367)	0.0
Reverse FY 2009-10 Supplemental	3,367	0	0	0	3,367	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0
SWNPDI - IT Staff	(1,629)	0	0	0	(1,629)	0.0
Reduction in employer's PERA contribution (2.5%)	(2,662)	0	0	0	(2,662)	0.0
<b>Total Recommendation</b>	<b>\$240,490</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$240,490</b>	<b>3.1</b>

### **Legal Services**

This line item supports legal services expenses for the Rocky Flats Agreement.

*Request:* The Department requests a continuation appropriation for 139 hours of legal services, equal to the FY 2009-10 appropriation.

*Staff Recommendation:* **Staff recommends the requested appropriation of 139 hours, with the dollar amount pending Committee common policy decision making.** Even though site cleanup is essentially complete, there remain site-closing activities requiring some level of legal services support. The exact dollar appropriation will be determined after the statewide Legal Services rate for FY 2009-10 is established by the Committee.

### **(G) Radiation Management**

The Radiation Management Program provides regulatory services for radioactive materials through review of license applications and inspections; contract services with local public health agencies for indoor radon testing, prevention, and education; and monitoring of low-level radioactive waste producers by ensuring proper and economically sound disposal.

Staffing Summary	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Administrative Support Staff	1.3	1.4	1.4	1.4
Budget and Policy Analyst	0.2	0.2	0.2	0.2
Environ. Protection Specialists	14.1	16.3	16.3	16.3
Information Systems Staff	0.8	0.4	0.0	0.0
Management	0.2	0.2	0.2	0.2
Staff / General Professionals	4.9	5.0	5.0	5.0
<b>TOTAL</b>	<b>21.5</b>	<b>23.5</b>	<b>23.1</b>	<b>23.1</b>

### Personal Services

This line item funds personnel-related costs for the Radiation Management program.

*Request:* The Department requests continuation level funding calculated pursuant to OSPB's budget instructions. The following state-wide requests impact this line item:

- restoring one-time savings associated with the 1.82 percent base personal services reduction in the FY 2009-10 Long Bill and statewide furloughs in FY 2009-10;
- a reduction associated with the statewide information technology staff consolidation; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

*Staff Recommendation:* **Staff recommends continuation level funding pursuant to the JBC's common policies, with adjustments for the state-wide requests.** Staff's recommendation is \$1,194 total funds (\$1,031 cash funds and \$163 federal funds) above the request because of an adjustment to the PERA reduction associated with the statewide information technology staff consolidation, pursuant to JBC common policy. The components of staff's recommendation are summarized in the table below.

Summary of (8) Hazardous Materials and Waste Management Division, (G) Radiation Management Personal Services Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
FY 2009-10 Long Bill	\$1,975,755	\$0	\$1,794,683	\$0	\$181,072	23.5
Restore 1.82% FY 2009-10 base reduction	30,764	0	30,764	0	0	0.0
FY 2009-10 Supplemental	(20,673)	0	(13,190)	0	(7,483)	0.0
Reverse FY 2009-10 Supplemental	20,673	0	13,190	0	7,483	0.0
Base reduction (0.0%)	0	0	0	0	0	0.0

Summary of (8) Hazardous Materials and Waste Management Division, (G) Radiation Management Personal Services Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
SWNPDI - IT Staff	(25,182)	0	(22,160)	0	(3,022)	(0.4)
Reduction in employer's PERA contribution (2.5%)	(40,599)	0	(34,682)	0	(5,917)	0.0
<b>Total Recommendation</b>	<b>\$1,940,738</b>	<b>\$0</b>	<b>\$1,768,605</b>	<b>\$0</b>	<b>\$172,133</b>	<b>23.1</b>

### Operating Expenses

This line item funds the non-personnel expenses for the Radiation Management program.

*Request:* The Department requests a continuation appropriation according to OSPB's common policies, with an annualization of FY 2009-10 decision item #8 (Radiation Control Program Uranium Licensing and Inspection).

*Recommendation:* **Staff recommends the request**, calculated pursuant to JBC common policy. The components of staff's recommendation are summarized in the following table.

Summary of (8) Hazardous Materials and Waste Management Division, (G) Radiation Management Operating Expenses Recommendation					
	TOTAL	GF	CF	RF	FF
FY 2009-10 Long Bill	\$265,981	\$0	\$108,495	\$0	\$157,486
Annualize FY 2009-10 DI #8	(10,456)	0	(10,456)	0	0
<b>Total Recommendation</b>	<b>\$255,525</b>	<b>\$0</b>	<b>\$98,039</b>	<b>\$0</b>	<b>\$157,486</b>

### (8) CONSUMER PROTECTION

The Consumer Protection Division is responsible for programs designed to protect the public from disease and injury through identification and control of environmental factors in food, drugs, medical devices, institutions, consumer products, and insect and rodent vectors affecting public health. The Division has responsibility for the following programs:

- a. **The Dairy Inspection Program**, which inspects dairy farms; milk haulers, tankers and receivers; milk cooperatives; milk processing plants; and manufactured dairy product plants;
- b. **The Retail Food Service Inspection Program**, which inspects restaurants, grocery stores, school cafeterias, and food programs for the elderly;
- c. **The Wholesale Food Manufacturing and Storage Program**, which inspects food storage and warehouse facilities, food manufacturers, and shellfish dealers;

- d. **The Insect/Vector Control Program**, which monitors diseases that are spread by insects and rodents, such as encephalitis, the plague, and West Nile Virus;
- e. **The Environmental Institutions Program**, which inspects child care centers, summer camps, public and private schools, and private correctional facilities;
- f. **The Health Fraud Program**, which prepares and disseminates information related to potentially harmful and/or recalled products;
- g. **The Drug/Medical Device Program**, which inspects body art facilities, drug manufacturers, and medical device manufacturers; and
- h. **Other regulatory responsibilities**, such as inspecting tanning facilities and responding to complaints about hotels, motels, mobile home park operators, and camp ground operators.

**Personal Services**

This line item funds personnel-related costs for all of the Consumer Protection Division's programs. The sources of cash funds are the Food Protection Cash Fund, the Wholesale Food Manufacturing and Storage Protection Cash Fund, the Artificial Tanning Device Education Fund, and various other sources of cash funds. The sources of reappropriated funds are transfers from the Department of Corrections and the Department of Human Services.

Staffing Summary	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Administrative Support Staff	0.7	1.0	1.0	1.0
Environ. Protection Specialists	17.9	22.6	23.5	23.5
Management	0.8	1.0	1.0	1.0
Program Assistant	1.0	1.0	1.0	1.0
Staff /General Professionals	3.1	4.0	4.0	4.0
<b>TOTAL</b>	<b>23.5</b>	<b>29.6</b>	<b>30.5</b>	<b>30.5</b>

*Request:* The Department requests continuation level funding calculated pursuant to OSPB's budget instructions. The following state-wide requests impact this line item:

- restoring one-time savings associated with the 1.82 percent base personal services reduction in the FY 2009-10 Long Bill and statewide furloughs in FY 2009-10; and
- a reduction resulting from the 2.5 percent reduction in employer PERA contributions in FY 2010-11 (pursuant to S.B. 10-146).

The request includes an annualization of S.B. 09-223. The fiscal note assumed that \$5,000 in contract information technology maintenance would be appropriated as operating expenses in FY 2010-11. The Department is requesting those resources in personal services rather than operating.

*Staff Recommendation:* **Staff recommends continuation level funding pursuant to the JBC's common policies, with adjustments for the state-wide requests and including the Department's**

**requested annualization of S.B. 09-223.** The components of staff's recommendation are summarized in the table below.

<b>Summary of (8) Consumer Protection Personal Services Recommendation</b>						
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
FY 2009-10 Long Bill	2,186,521	1,137,854	693,568	79,894	275,205	28.4
H.B. 09-1320 (Dairy Product Licensing)	19,903	0	19,903	0	0	0.3
S.B. 09-223 (Retail Food Inspection)	68,361	0	68,361	0	0	0.9
Restore 1.82% FY 2009-10 base reduction	35,379	21,062	12,838	1,479	0	0.0
FY 2009-10 Supplemental	(15,416)	(4,918)	(1,472)	(384)	(8,642)	0.0
Reverse FY 2009-10 Supplemental	15,416	4,918	1,472	384	8,642	0.0
Annualize S.B. 09-223	63,361	0	63,361	0	0	0.9
Base reduction (0.0%)	0	0	0	0	0	0.0
Reduction in employer's PERA contribution (2.5%)	(41,270)	(21,109)	(11,627)	(1,513)	(7,021)	0.0
<b>Total Recommendation</b>	<b>\$2,332,255</b>	<b>\$1,137,807</b>	<b>\$846,404</b>	<b>\$79,860</b>	<b>\$268,184</b>	<b>30.5</b>

**Operating Expenses**

This line item funds all non-personnel operating costs for the Consumer Protection Division's various programs.

*Request:* The Department requests a continuation appropriation according to OSPB's common policies. As discussed above, to annualize S.B. 09-223, the Department requests that \$5,000 cash funds in information technology maintenance shown as operating expenses in the bill's Legislative Council Staff Fiscal Note be appropriated as personal services in FY 2010-11. The change reduces the operating expenses appropriation by \$5,000 relative to the fiscal note.

*Recommendation:* **Staff recommends the request**, including the adjusted annualization of S.B. 09-223. The components of staff's recommendation are summarized in the following table.

<b>Summary of (5) Air Quality Control Division, (D) Stationary Sources Operating Expenses Recommendation</b>					
	<b>TOTAL</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
FY 2009-10 Long Bill	\$121,907	\$29,637	\$54,010	\$9,708	\$28,552



Summary of (5) Air Quality Control Division, (D) Stationary Sources Operating Expenses Recommendation					
	TOTAL	GF	CF	RF	FF
H.B. 09-1320 (Dairy Product Licensing)	5,248	0	5,248	0	0
S.B. 09-223 (Retail Food Inspection)	51,796	0	51,796	0	0
Annualize S.B. 09-223	(12,896)	0	(12,896)	0	0
<b>Total Recommendation</b>	\$166,055	\$29,637	\$98,158	\$9,708	\$28,552

**Indirect Cost Assessment**

This line reflects the amount of indirect cost assessments made against cash and federal funding sources within the division. The funds collected here are used to offset General Fund that would otherwise be required in the Administration and Support Division.

*Request:* The Department's request reflects the statewide and departmental indirect cost plan.

*Recommendation:* **Staff requests permission to work with the Department to finalize the indirect cost amount once the Committee has taken final action on all line items.**

## LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

### Long Bill Footnotes

**Staff recommends that the following footnotes be continued, if they still reflect the Committee's priorities for the use of funds in the Recycling Resources Economic Opportunity Program and the Advanced Technology Research Grants.**

- 42 Department of Public Health and Environment, Administration and Support, Special Environmental Programs, Recycling Resources Economic Opportunity Program** -- It is the intent of the General Assembly that the Pollution Prevention Advisory Board prioritize the use of these funds in awarding grants pursuant to Section 25-16.5-106.7 (4) (j), C.R.S., for the reduction of waste tire stockpiles in Colorado.

Comment: The Department indicates that it is complying with the footnote and is prioritizing the use of funds for the reduction of waste tire stockpiles but is not limiting the use of funds to such activities.

- 43 Department of Public Health and Environment, Administration and Support, Special Environmental Programs, Advanced Technology Research Grants** -- It is the intent of the General Assembly that the Pollution Prevention Advisory Board prioritize the use of these funds in awarding grants pursuant to Section 25-16.5-105 (2) (b), C.R.S., for the reduction of waste tire stockpiles in Colorado.

Comment: The Department indicates that it is complying with the footnote and is prioritizing the use of funds for the reduction of waste tire stockpiles but is not limiting the use of funds to such activities.

### Requests for Information

**Staff recommends that the Committee continue the following requests for information.** Each of the requested reports has proven useful in analysis of the needs of the relevant programs.

- 52 Department of Public Health and Environment, Air Quality Control Division** -- The Department is requested to submit a report on the Air Quality Control Division. This report is requested to include a summary of the Division's current and anticipated workload, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, ~~2009~~ 2010.

Comment: The Department has complied with this request. The report indicates that the Department anticipates a need for 12.0 additional FTE over the next three years. The table below shows the distribution of identified FTE needs.

**Summary of Resource Needs for the Air Quality Control Division**

Program Area	FY 10-11		FY 11-12		FY 12-13		Total	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Mobile Sources	1.0	162,576	0.0	0	0.0	0	1.0	162,576
Technical Services	1.0	99,165	3.0	491,732	0.0	0	4.0	590,897
Stationary Sources	0.0	0	3.0	325,298	4.0	409,518	7.0	734,816
<b>Total</b>	<b>2.0</b>	<b>261,741</b>	<b>6.0</b>	<b>817,030</b>	<b>4.0</b>	<b>409,518</b>	<b>12.0</b>	<b>1,488,289</b>

Current and future Air Quality Control Division programmatic and resources needs were outlined in this report. This information is useful because this division has seen a significant workload increase in recent years, and the report provides an outline for how the Department anticipates the Division will need to grow in response to those needs. Therefore, staff recommends that the Legislature continue to request this report.

- 53 Department of Public Health and Environment, Water Quality Control Division --** The Department is requested to submit a report on the Water Quality Control Division. This report is requested to include a summary of the Division's current and anticipated workload, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, ~~2009~~ 2010.

Comment: The Department complied with this request. As shown in the following table, the report indicates that the Water Quality Control Division needs an additional 71.3 FTE over the next three years, with particularly high needs in the Drinking Water (20.0 FTE) and Water Pollution Control (29.0 FTE) programs. The increased needs are driven by current workload as well as anticipated increases in workload associated with new standards and regulations, population growth, and growth in the number of sources requiring permitting and inspection activities.

**Summary of Resource Needs for the Water Quality Control Division**

Program Area	FY 10-11		FY 11-12		FY 12-13		Total	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Drinking Water	6.0	404,381	7.0	530,444	7.0	530,444	20.0	1,465,269

Water Pollution Control (formerly Clean Water Facilities)	12.0	807,094	10.0	723,010	7.0	541,375	29.0	2,071,479
Watersheds	6.0	488,132	3.0	249,299	2.0	198,044	11.0	935,475
Administration	6.0	287,068	4.5	202,801	0.8	144,942	11.3	634,811
<b>Total</b>	<b>30.0</b>	<b>1,986,675</b>	<b>24.5</b>	<b>1,705,554</b>	<b>16.8</b>	<b>1,414,805</b>	<b>71.3</b>	<b>5,107,034</b>

Notes:

- a. FTE costs are based upon FY 2009-10 Department of Personnel compensation plan. Costs also include \$6,178 in FTE associated operating and capital outlay expenses, which are not ongoing.
- b. The data for this table is from the Department's November 1, 2009 request for information 53 report and has not been independently evaluated by staff.

Current and future Water Quality Control Division programmatic and resources needs were outlined in this report. This information is useful because this division has seen a significant workload increase in recent years, and the report provides an outline for how the Department anticipates the Division will need to grow in response to those needs. Staff recommends that the Legislature continue to request this report.

- 54 Department of Public Health and Environment, Hazardous Materials and Waste Management Division, Contaminated Site Cleanups** -- The Department is requested to submit a report on its CERCLA program. This report is requested to include detailed expenditures for the program, including out-year estimates by project and associated project financing. The report should also include an analysis of long-term funding needs of the State in responding to, litigating, and cleaning up CERCLA sites, including estimated long-term maintenance costs for these sites. The report should also provide information on the Hazardous Substance Response Fund balance and out-year fiscal estimates. The Department is requested to submit this report to the Joint Budget Committee by November 1, ~~2009~~ 2010.

Comment: The Department complied with this request for information. Beginning in 2002, there were concerns about the fund's long-term solvency after the Legislature transferred \$30.0 million of the fund balance to the General Fund. However, that transfer was repaid in January 2006. The General Assembly transferred a total of \$32.5 million of the fund balance to the General Fund during the 2009 Session, with no repayment provision. Following the transfer to the General Fund and current declines in tipping fee revenues as a result of the economic downturn, the Department estimates that the fund will remain solvent through FY 2014-15, although statutory constraints on the share of fund balance available for program administration may make the fund inoperable in FY 2011-12 without a change in tipping fee levels or expenditures. Other factors that could change the state's costs and result in the need for more resources include: (1) the identification of additional Superfund sites; (2) changes in the estimated remediation and on-going maintenance costs at existing sites; (3) changes in federal policies; and (4) changes in the ability of responsible parties to pay their share of costs. Therefore, staff recommends that the Legislature continue to request this report so that the

General Assembly will be aware of any changes to the State's on-going fiscal responsibilities under this program.

## BUDGET BALANCING OPTIONS

These options are presented without staff recommendation to maximize the Committee's choices. The Committee may wish to consider these options now or in the future.

Options with <i>Appropriation</i> Impacts	GF	CF	RF	FF	Total	FTE
1	(675,000)	675,000			0	
<p><b>Refinance the Consumer Protection Division Dairy Program for FY 2009-10</b></p> <p>The Dairy Program is almost entirely funded with General Fund (approximately \$675,000 General Fund per year, including laboratory expenses) and could be cash funded through fees on the dairy industry. The Committee could consider partial or complete cash funding of the General Fund portion of the program. Doing so would require legislation.</p>						
2	(2,545,825)	2,545,825			0	
<p><b>Refinance Water Quality Control Division General Fund and Increase Fees for FY 2009-10</b></p> <p>The Department is requesting and staff has recommended a General Fund appropriation of approximately \$2.5 million to the Water Quality Control Division. However, during the last downturn the General Assembly enacted S.B. 03-276 to cash fund the entire division and eliminate the General Fund appropriation. The Committee could consider cash funding the division again for FY 2010-11 and going forward. Doing so would require legislation.</p>						