

**Schedule 13**  
**Change Request for FY 2010-11 Budget Request Cycle**

Budget Amendment FY 2010-11

Decision Item FY 2010-11

Base Reduction Item FY 2010-11

Supplemental FY 2009-10

Request Title: North Front Range Emissions Technical Center  
 Department: Department of Public Health and Environment  
 Priority Number: DI- 2

Dept. Approval by: *[Signature]*  
 OSPB Approval: *[Signature]*

Date: September 22, 2009  
 Date: 9-23-09

|   | Fund         | 1                            | 2                        | 3                               | 4                                | 5                       | 6                                   | 7                             | 8                           | 9                                | 10                                     |
|---|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
|   |              | Prior-Year Actual FY 2008-09 | Appropriation FY 2009-10 | Supplemental Request FY 2009-10 | Total Revised Request FY 2009-10 | Base Request FY 2010-11 | Decision/ Base Reduction FY 2010-11 | November 1 Request FY 2010-11 | Budget Amendment FY 2010-11 | Total Revised Request FY 2010-11 | Change from Base (Column 5) FY 2011-12 |
| <b>Total of All Line Items</b>  | <b>Total</b> | 8,005,581                    | 9,044,614                | 0                               | 9,044,614                        | 9,295,507               | 130,478                             | 9,425,985                     | 0                           | 9,425,985                        | 107,663                                |
|   | FTE          | 27.0                         | 30.2                     | 0.0                             | 30.2                             | 30.2                    | 1.0                                 | 31.2                          | 0.0                         | 31.2                             | 1.0                                    |
|   | GF           | 0                            | 0                        | 0                               | 0                                | 0                       | 0                                   | 0                             | 0                           | 0                                | 0                                      |
|   | GFE          | 0                            | 0                        | 0                               | 0                                | 0                       | 0                                   | 0                             | 0                           | 0                                | 0                                      |
|   | CF           | 2,716,828                    | 2,823,651                | 0                               | 2,823,651                        | 2,995,404               | 130,478                             | 3,125,882                     | 0                           | 3,125,882                        | 107,663                                |
|   | CFE/RF       | 5,032,103                    | 5,845,175                | 0                               | 5,845,175                        | 5,924,315               | 0                                   | 5,924,315                     | 0                           | 5,924,315                        | 0                                      |
|   | FF           | 256,850                      | 375,788                  | 0                               | 375,788                          | 375,788                 | 0                                   | 375,788                       | 0                           | 375,788                          | 0                                      |
| <b>(1) Administration and Support; (A) Administration, Leased Space</b>         | <b>Total</b> | 4,846,326                    | 5,691,403                | 0                               | 5,691,403                        | 5,775,082               | 30,000                              | 5,805,082                     | 0                           | 5,805,082                        | 30,000                                 |
|   | FTE          | 0.0                          | 0.0                      | 0.0                             | 0.0                              | 0.0                     | 0.0                                 | 0.0                           | 0.0                         | 0.0                              | 0.0                                    |
|   | GF           | 0                            | 0                        | 0                               | 0                                | 0                       | 0                                   | 0                             | 0                           | 0                                | 0                                      |
|   | GFE          | 0                            | 0                        | 0                               | 0                                | 0                       | 0                                   | 0                             | 0                           | 0                                | 0                                      |
|   | CF           | 158,402                      | 198,567                  | 0                               | 198,567                          | 203,106                 | 30,000                              | 233,106                       | 0                           | 233,106                          | 30,000                                 |
|   | CFE/RF       | 4,663,160                    | 5,454,448                | 0                               | 5,454,448                        | 5,533,588               | 0                                   | 5,533,588                     | 0                           | 5,533,588                        | 0                                      |
|   | FF           | 24,764                       | 38,388                   | 0                               | 38,388                           | 38,388                  | 0                                   | 38,388                        | 0                           | 38,388                           | 0                                      |
| <b>(1) Administration and Support; (A) Administration, Utilities</b>            | <b>Total</b> | 472,362                      | 597,427                  | 0                               | 597,427                          | 597,427                 | 10,800                              | 608,227                       | 0                           | 608,227                          | 10,800                                 |
|   | FTE          | 0.0                          | 0.0                      | 0.0                             | 0.0                              | 0.0                     | 0.0                                 | 0.0                           | 0.0                         | 0.0                              | 0.0                                    |
|   | GF           | 0                            | 0                        | 0                               | 0                                | 0                       | 0                                   | 0                             | 0                           | 0                                | 0                                      |
|   | GFE          | 0                            | 0                        | 0                               | 0                                | 0                       | 0                                   | 0                             | 0                           | 0                                | 0                                      |
|   | CF           | 58,799                       | 84,524                   | 0                               | 84,524                           | 84,524                  | 10,800                              | 95,324                        | 0                           | 95,324                           | 10,800                                 |
|   | CFE/RF       | 368,943                      | 390,727                  | 0                               | 390,727                          | 390,727                 | 0                                   | 390,727                       | 0                           | 390,727                          | 0                                      |
|   | FF           | 44,620                       | 122,176                  | 0                               | 122,176                          | 122,176                 | 0                                   | 122,176                       | 0                           | 122,176                          | 0                                      |
| <b>(5) Air Quality Control Division; (C) Mobile Sources, Personal Services</b>  | <b>Total</b> | 2,544,988                    | 2,420,457                | 0                               | 2,420,457                        | 2,578,404               | 58,563                              | 2,636,967                     | 0                           | 2,636,967                        | 58,563                                 |
|   | FTE          | 27.0                         | 30.2                     | 0.0                             | 30.2                             | 30.2                    | 1.0                                 | 31.2                          | 0.0                         | 31.2                             | 1.0                                    |
|   | GF           | 0                            | 0                        | 0                               | 0                                | 0                       | 0                                   | 0                             | 0                           | 0                                | 0                                      |
|   | GFE          | 0                            | 0                        | 0                               | 0                                | 0                       | 0                                   | 0                             | 0                           | 0                                | 0                                      |
|   | CF           | 2,380,114                    | 2,223,483                | 0                               | 2,223,483                        | 2,381,430               | 58,563                              | 2,439,993                     | 0                           | 2,439,993                        | 58,563                                 |
|   | CFE/RF       | 0                            | 0                        | 0                               | 0                                | 0                       | 0                                   | 0                             | 0                           | 0                                | 0                                      |
|   | FF           | 184,874                      | 196,974                  | 0                               | 196,974                          | 196,974                 | 0                                   | 196,974                       | 0                           | 196,974                          | 0                                      |
| <b>(5) Air Quality Control Division; (C) Mobile Sources, Operating Expenses</b> | <b>Total</b> | 141,905                      | 335,327                  | 0                               | 335,327                          | 344,594                 | 31,115                              | 375,709                       | 0                           | 375,709                          | 8,300                                  |
|   | FTE          | 0.0                          | 0.0                      | 0.0                             | 0.0                              | 0.0                     | 0.0                                 | 0.0                           | 0.0                         | 0.0                              | 0.0                                    |
|   | GF           | 0                            | 0                        | 0                               | 0                                | 0                       | 0                                   | 0                             | 0                           | 0                                | 0                                      |
|   | GFE          | 0                            | 0                        | 0                               | 0                                | 0                       | 0                                   | 0                             | 0                           | 0                                | 0                                      |
|   | CF           | 119,513                      | 317,077                  | 0                               | 317,077                          | 326,344                 | 31,115                              | 357,459                       | 0                           | 357,459                          | 8,300                                  |
|   | CFE/RF       | 0                            | 0                        | 0                               | 0                                | 0                       | 0                                   | 0                             | 0                           | 0                                | 0                                      |
|   | FF           | 22,392                       | 18,250                   | 0                               | 18,250                           | 18,250                  | 0                                   | 18,250                        | 0                           | 18,250                           | 0                                      |

**OSPB Common Policy for FTE Requests**

| FTE and Operating Costs                                     |         |                  |                  |                  |            |            |            |            |            | GRAND TOTAL |                  |                  |                  |
|---|---------|------------------|------------------|------------------|------------|------------|------------|------------|------------|-------------|------------------|------------------|------------------|
| Fiscal Year(s) of Request                                   | Title:  | FY 10-11         | FY 11-12         | FY 12-13         | FY 10-11   | FY 11-12   | FY 12-13   | FY 10-11   | FY 11-12   | FY 12-13    | FY 10-11         | FY 11-12         | FY 12-13         |
| <b>PERSONAL SERVICES</b>                                    |         |                  |                  |                  |            |            |            |            |            |             |                  |                  |                  |
| Number of PERSONS / class title                             |         |                  |                  |                  |            |            |            |            |            |             |                  |                  |                  |
| Number of months working in FY 10-11, 11-12, & 12-13        |         |                  |                  |                  |            |            |            |            |            |             |                  |                  |                  |
| Number months paid in FY 10-11, 11-12, & 12-13              |         |                  |                  |                  |            |            |            |            |            |             |                  |                  |                  |
| Calculated FTE per classification                           |         | 1.0              | 1.0              | 1.0              | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0         | 1.0              | 1.0              | 1.0              |
| Annual base salary  |         |                  |                  |                  |            |            |            |            |            |             |                  |                  |                  |
| Salary  |         | \$52,476         | \$52,476         | \$52,476         | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         | \$52,476         | \$52,476         | \$52,476         |
| PERA  | 10.15%  | \$5,326          | \$5,326          | \$5,326          | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         | \$5,326          | \$5,326          | \$5,326          |
| Medicare  | 1.45%   | \$761            | \$761            | \$761            | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         | \$761            | \$761            | \$761            |
| <b>Subtotal Personal Services at Division Level</b>         |         | <b>\$58,563</b>  | <b>\$58,563</b>  | <b>\$58,563</b>  | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b>  | <b>\$58,563</b>  | <b>\$58,563</b>  | <b>\$58,563</b>  |
| <b>OPERATING EXPENSES</b>                                   |         |                  |                  |                  |            |            |            |            |            |             |                  |                  |                  |
| Supplies @ \$500/\$500 <sup>1</sup>                         | \$500   | \$500            | \$500            | \$500            | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         | \$500            | \$500            | \$500            |
| Computer @ \$900/\$0  | \$900   | \$900            | \$0              | \$0              | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         | \$900            | \$0              | \$0              |
| Office Suite Software @ \$330/\$0                           | \$330   | \$330            | \$0              | \$0              | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         | \$330            | \$0              | \$0              |
| Office Equipment @ \$3,440/\$0 (includes cubicle and chair) | \$3,440 | \$3,440          | \$0              | \$0              | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         | \$3,440          | \$0              | \$0              |
| Telephone Base @ \$250/ea part of lease                     | \$250   | \$3,000          | \$3,000          | \$3,000          | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         | \$3,000          | \$3,000          | \$3,000          |
| Facility All Data (per month)                               | \$200   | \$2,400          | \$2,400          | \$2,400          | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         | \$2,400          | \$2,400          | \$2,400          |
| Leased Space  |         | \$30,000         | \$30,000         | \$30,000         | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         | \$30,000         | \$30,000         | \$30,000         |
| Facility Property Management (per month)                    | \$200   | \$2,400          | \$2,400          | \$2,400          | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         | \$2,400          | \$2,400          | \$2,400          |
| Facility Utilities (per month)                              | \$900   | \$10,800         | \$10,800         | \$10,800         | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         | \$10,800         | \$10,800         | \$10,800         |
| Automotive Diagnostic Repair tools                          |         | \$18,145         | \$0              | \$0              | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         | \$18,145         | \$0              | \$0              |
| <b>Subtotal Operating Expenses</b>                          |         | <b>\$71,915</b>  | <b>\$49,100</b>  | <b>\$49,100</b>  | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b>  | <b>\$71,915</b>  | <b>\$49,100</b>  | <b>\$49,100</b>  |
| <b>GRAND TOTAL ALL COSTS</b>                                |         | <b>\$130,478</b> | <b>\$107,663</b> | <b>\$107,663</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b>  | <b>\$130,478</b> | <b>\$107,663</b> | <b>\$107,663</b> |

- 1 - Initial year full salary is 11 months to account for Pay Date Shift if General Fund employee.
- 2 - The \$450 for Telephone Base and \$500 for Supplies will carry over each year as an acceptable expense. Items are prorated for partial FTE.
- 3 - Other non-routine expenses such as Fleet, Leased space, or a laptop must be separately defended and calculated. Please provide documentation to justify these requested costs. Agencies must work with DPA or the Governor's Office of IT when requesting Fleet, MNT, OGCC, or other centralized items administered by this Department.
- 4 - Computer contract hours should be estimated at \$100 /hour for a Project Manager. Other costs could include \$86/hour for an IT Business Analyst, \$74/hour for a Programmer and \$65 for a Network Administrator. Legal fees should be \$75.38 (blended attorney and paralegal services estimate charged by Dept. of Law). Exceptions will only be given if sufficient justification is provided. Mileage reimbursement rates are outlined below:

| Mileage Reimbursement:                                  |        |
|---|--------|
| 2-wheel drive (90% of IRS rate (set at \$0.55 in 2009)) | \$0.50 |
| 4-wheel drive (95% of IRS rate (set at \$0.55 in 2009)) | \$0.52 |
| nautical mileage  | \$0.40 |

## CHANGE REQUEST for FY 2010-11 BUDGET REQUEST CYCLE

|                       |  |
|-----------------------|--|
| Department:           | Public Health and Environment                |
| Priority Number:      | DI – 2                                       |
| Change Request Title: | North Front Range Emissions Technical Center |

**SELECT ONE (click on box):**

- Decision Item FY 2010-11
- Base Reduction Item FY 2010-11
- Supplemental Request FY 2009-10
- Budget Request Amendment FY 2010-11

**SELECT ONE (click on box):**

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Air Quality Control Division is requesting cash fund spending authority of \$130,478 and 1.0 FTE to staff and operate an Emissions Technical Center in support of the expansion of the Automobile Inspection and Readjustment (AIR) Program to the North Front Range. The total requested funding of \$130,478 in FY 2010-11 and \$107,663 in FY 2011-12 will be paid from the existing fee based AIR Account.

Background and Appropriation History:

The AIR program is a vehicle inspection and maintenance program currently operating in the Denver Metro Area. Pursuant to the program, vehicles registered in the area must meet established criteria for emissions of excess carbon monoxide (CO), nitrogen oxides (NO<sub>x</sub>) and hydrocarbons (HC). To ensure compliance with these standards, vehicles are required to undergo periodic emissions testing at the time of their registration renewal. Vehicles that fail the tests must be repaired and pass a retest before they can be re-registered. The environmental benefit from the program is derived primarily from the emission reductions that occur when vehicles failing the initial test are repaired to ensure compliance with program requirements. While most vehicles that are inspected within

the AIR Program area pass the established standards, the vehicles that fail disproportionately contribute to the overall emissions of the vehicle fleet.

The AIR Program started in the early 1980s. Originally, the AIR program was designed to combat the high levels of CO that plagued the Denver Metro Area (DMA) and North Front Range (NFR) during the 1980's and early 1990s. As a result of Colorado's success in drastically reducing CO during the late 1990s and early 2000s, continuation of the AIR Program as a CO reduction strategy was no longer mandated. Accordingly the Colorado Air Quality Control Commission (AQCC) terminated the AIR Program in Larimer and Weld Counties effective January 1, 2007. At that time, the Department eliminated the Emissions Technical Center serving the North Front Range.

Due to ongoing problems with high ozone levels, however, the AIR Program was retained in the Denver Metro Area as an ozone reduction strategy. Unfortunately, due to high ozone readings during the summer of 2007, the Denver Metro Area and the North Front Range violated National Ambient Air Quality Standards (NAAQS) for Ozone, necessitating the adoption of additional strategies for reducing ozone precursor emissions HC, NO<sub>x</sub> and CO.

**Regulatory Changes:** The Air Quality Control Commission, based on C.R. S. (2009) 42-4-306(9)(a)(II), is authorized to expand the AIR program, within the limits set by statute, to areas that violate the ozone NAAQS. Pursuant to this authority, and to address the area's violation of the ozone NAAQS, in December 2008 the AQCC mandated the AIR Program be reinstated with an expanded focus on HC and NO<sub>x</sub> as well as CO in parts of Larimer and Weld Counties starting no later than July 1, 2010.

**Statutory Changes:** Because of statutory limits on its authority at the time of the December 2008 regulatory expansion, the AQCC was unable to expand the AIR Program to a number of populated areas within the Larimer and Weld County portions of the ozone non-attainment area. To address this issue, the 2009 General Assembly passed and the Governor signed a bill further expanding the AIR Program Area in Larimer and Weld Counties (SB 09-003 "Motor vehicle emissions programs"). During the legislative

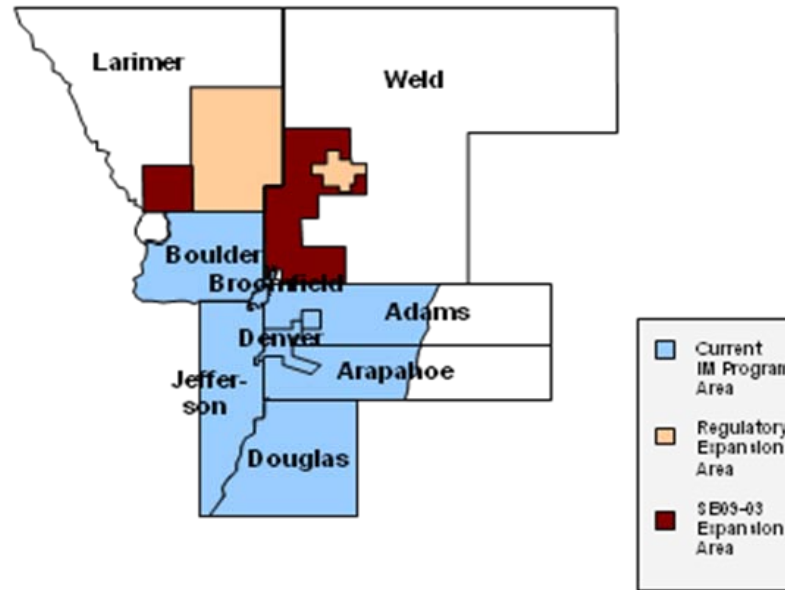
process, CDPHE requested 2.0 FTE and associated operating costs to staff and fund an Emissions Technical Center in the North Front Range to support both the regulatory and statutory expansion of the AIR Program in Larimer and Weld Counties. The legislation authorized CDPHE 1.0 of the requested FTE (0.5 FTE in FY 2009-10 and the full 1.0 FTE in FY 2010-11) and the associated operating costs to support the statutory expansion of the AIR Program. While the Fiscal Note accompanying the legislation acknowledged the need for an additional FTE to cover the regulatory expansion of the program adopted by the AQCC, it noted that only the costs associated with the statutory expansion of the program would be included in the appropriations clause of the act.

This change request will allow the department to obtain the additional FTE and associated operating costs necessitated by the AQCC's 2008 regulatory expansion of the AIR Program.

Note: the legislation also authorized an additional 1.0 FTE in conjunction with the rule changes for the classic car exemption. This FTE will have no involvement in the North Front Range Technical Center and as a result is not factored into this analysis.

| <b>Type of Change</b> | <b>Authorized by</b>                  | <b>Expanded Area</b>   | <b>Effective Date of Change</b> | <b>Number of Vehicles Impacted by Change</b> |
|-----------------------|---------------------------------------|--|---------------------------------|--|
| Regulatory            | AQCC (through CRS 42-4-306(9)(a)(II)) | Expands the AIR program to its full existing statutory boundaries by including eastern Larimer County and the area around Greeley in Weld County | July 1, 2010                    | 290,000 vehicles in FY 2010-11               |
| Statutory             | SB 09-003                             | Expands the program to additional areas in Weld and Larimer Counties   | July 1, 2010                    | 114,000 vehicles in FY 2010-11               |

## IM Program Area



### General Description of Request:

To address federal ground-level ozone standard violations in the Denver Metro and North Front Range areas and to decrease and prevent acute illness from high ozone concentrations, the State of Colorado must implement new strategies to reduce ozone emissions. Establishment of a new Emissions Technical Center in the North Front Range is essential to maximizing the emission reduction potential of the mandated expansion. The Air Quality Control Division is requesting 1.0 FTE and associated operating costs to operate an Emissions Technical Center in support of the expansion of the Automobile Inspection and Readjustment (AIR) Program to the North Front Range.

The Colorado Air Quality Control Commission mandated expansion of the AIR Program to Larimer and Weld Counties effective July 1, 2010, to address ongoing violations of

federal health based ozone standards. Establishment of a new Emissions Technical Center in the North Front Range is necessary to fulfill this regulatory mandate. These funds will be used to provide a vital customer service to motorists in Larimer and Weld Counties, which will increase compliance with the AIR program and enhance related environmental benefits.

As noted above, the AIR Program substantially reduces emissions of ozone precursor emissions through the identification and repair of heavily polluting vehicles. Motor vehicles are the most significant source of ozone precursor emissions in the Denver Metro Area (DMA) and North Front Range (NFR) areas. A well-run vehicle inspection and maintenance program is among the most cost-effective ways to reduce emissions from this important source.

Establishment of a new Emissions Technical Center is a crucial element to the success of expanding the AIR Program to Larimer and Weld Counties. For the Air Program to accomplish significant reductions, it is imperative that heavily polluting vehicles receive effective, long-lasting repairs. Unfortunately, emission related repairs are often complex and may fall outside the expertise of many in the automobile repair community, absent specific training and technical assistance. The Emission Technical Center staff is expert in the diagnosis and repair of emission related failures. Once established, an Emission Technical Center in the North Front Range will serve as an invaluable resource to the local repair community by providing initial training as well as ongoing expertise in the area of emission related repairs. In addition, the Emission Technical Center will provide a crucial service to motorists in navigating the complexities of the program and obtaining cost-effective long lasting repairs for emission related problems. Recognizing the importance that they play, Colorado Statutes mandate that the division establish and operate technical centers in support of the AIR Program. (See § 42-4-307(3), C.R.S.)

To operate an Emissions Technical Center, it is necessary to have a physical location where diagnostic exams on heavily polluting vehicles can be performed with adequate staffing, and appropriate automotive diagnostic tools. Accordingly, this request includes lease costs for the center itself, 1.0 FTE and equipment costs. The 1.0 FTE authorized in

the legislation would not be sufficient to meet the demands of the number of vehicles anticipated to need technical assistance.

Consequences if Not Funded:

If this request is denied, AQCD will not be able to conduct technical center functions in the area, leading to continued high emissions levels in the Front Range and a violation of state statute. Given the seriousness of the area's ozone problems, more costly alternatives would be developed to offset the emission reductions that could be achieved through the technical center.

The service provided by the technical centers is an invaluable service to constituents. These centers provide low cost and no cost advice to constituents whose vehicles need repairs in order to pass the emission inspection. Failure to fund this request will also eliminate a crucial consumer protection element of the program. By helping to ensure that emission related repairs are done in a complete and cost-effective manner, Emission Technical Centers not only help the environment, but also reduce the possibility that consumers will have to pay for costly unnecessary repairs, that fail to provide an effective or long-lasting fix to the problem.



Calculations for Request:

| <b>Summary of Request FY 2010-11</b>                                     | <b>Total Funds</b> | <b>Cash Funds</b> | <b>FTE</b> |
|--|--------------------|-------------------|------------|
| Total Request  | \$130,478          | \$130,478         | 1.0        |
| (1) Administration and Support; (A) Administration, Leased Space         | \$30,000           | \$30,000          | 0.0        |
| (1) Administration and Support; (A) Administration, Utilities            | \$10,800           | \$10,800          | 0.0        |
| (5) Air Quality Control Division; (C) Mobile Sources, Personal Services  | \$58,563           | \$58,563          | 1.0        |
| (5) Air Quality Control Division; (C) Mobile Sources, Operating Expenses | \$31,115           | \$31,115          | 0.0        |

| <b>Summary of Request FY 2011-12</b>                                     | <b>Total Funds</b> | <b>Cash Funds</b> | <b>FTE</b> |
|--|--------------------|-------------------|------------|
| Total Request  | \$107,663          | \$107,663         | 1.0        |
| (1) Administration and Support; (A) Administration, Leased Space         | \$30,000           | \$30,000          | 0.0        |
| (1) Administration and Support; (A) Administration, Utilities            | \$10,800           | \$10,800          | 0.0        |
| (5) Air Quality Control Division; (C) Mobile Sources, Personal Services  | \$58,563           | \$58,563          | 1.0        |
| (5) Air Quality Control Division; (C) Mobile Sources, Operating Expenses | \$8,300            | \$8,300           | 0.0        |

**Calculations for Cost Impact**

| <b>Cost Calculations:</b>                | <b>FY 2010-11</b> |                       |                     | <b>FY 2011-12</b> |                       |                     |
|--|-------------------|-----------------------|---------------------|-------------------|-----------------------|---------------------|
| <b>Job Title</b>                         | <b>FTE</b>        | <b>Monthly Salary</b> | <b>Total Salary</b> | <b>FTE</b>        | <b>Monthly Salary</b> | <b>Total Salary</b> |
| Air Environ System Tech I                | 1.0               | \$4,373               | \$52,476            | 1.0               | \$4,373               | \$52,476            |
| TOTAL SALARY:                            |                   |                       | \$52,476            |                   |                       | \$52,476            |
| TOTAL PERA:                              |                   |                       | \$5,326             |                   |                       | \$5,326             |
| TOTAL MEDICARE:                          |                   |                       | \$761               |                   |                       | \$761               |
| TOTAL PERA AED:                          |                   |                       | \$1,259             |                   |                       | \$1,469             |
| TOTAL PERA SAED:                         |                   |                       | \$918               |                   |                       | \$1,181             |
| Health, Life, Dental                     |                   | \$7,310               | \$7,310             |                   | \$7,310               | \$7,310             |
| STD                                      |                   |                       | \$68                |                   |                       | \$68                |
| <b>TOTAL PERSONNEL COST:</b>             | <b>1.0</b>        |                       | <b>\$68,118</b>     | <b>1.0</b>        |                       | <b>\$68,591</b>     |
| <b>Total Requested Personal Services</b> | <b>1.0</b>        |                       | <b>\$58,563</b>     | <b>1.0</b>        |                       | <b>\$58,563</b>     |

Note: The Health, Life, Dental, AED, SAED and STD costs are shown to illustrate the impact on the fund, even though the spending authority for these costs is not included.

| <b>Operating</b>                                      |                   |                        | <b>FY10-11</b>   |                   |                        | <b>FY11-12</b>   |
|---|-------------------|------------------------|------------------|-------------------|------------------------|------------------|
| <b>Type:</b>  | <b># of Units</b> | <b>Amount per each</b> |                  | <b># of Units</b> | <b>Amount per each</b> |                  |
| Basic oper expenses (per FTE)                         | 1.0               | \$500                  | \$500            | 1.0               | \$500                  | \$500            |
| Computer (per FTE)                                    | 1.0               | \$900                  | \$900            |                   |                        |                  |
| Office Suite Software (per FTE)                       | 1.0               | \$330                  | \$330            |                   |                        |                  |
| Office Equipment (per FTE)                            | 1.0               | \$3,440                | \$3,440          |                   |                        |                  |
| Facility Utilities (per month)                        | 12                | \$900                  | \$10,800         | 12                | \$900                  | \$10,800         |
| Facility Property Management (per month)              | 12                | \$200                  | \$2,400          | 12                | \$200                  | \$2,400          |
| Facility All Data (per month)                         | 12                | \$200                  | \$2,400          | 12                | \$200                  | \$2,400          |
| Facility Telephone (per month)                        | 12                | \$250                  | \$3,000          | 12                | \$250                  | \$3,000          |
| Facility Lease (per year)                             | 1                 | \$30,000               | \$30,000         | 1                 | \$30,000               | \$30,000         |
| Automotive Diagnostic Repair Tools                    |                   |                        | \$18,145         |                   |                        |                  |
| <b>TOTAL OPERATING:</b>                               |                   |                        | <b>\$71,915</b>  |                   |                        | <b>\$49,100</b>  |
| <b>Indirect Charges</b>                               | <b>15.5%</b>      |                        | <b>\$21,705</b>  | <b>15.5%</b>      |                        | <b>\$18,242</b>  |
| <b>Total Cash Impact on Fund 406</b>                  |                   |                        | <b>\$161,738</b> |                   |                        | <b>\$135,933</b> |
|   |                   |                        |                  |                   |                        |                  |
| <b>Total Lease, Utilities and Operating Requested</b> |                   |                        | <b>\$71,915</b>  |                   |                        | <b>\$49,100</b>  |
| <b>Total Request (including personal services)</b>    |                   |                        | <b>\$130,478</b> |                   |                        | <b>\$107,663</b> |

**Note:** The indirect costs are **Note:** The Health, Life, Dental, AED, SAED and STD costs are shown to illustrate the impact on the fund, even though the spending authority for these costs is not included.

Cash Funds Projections:

| Cash Fund Name | Cash Fund Number | FY 2008-09 Expenditures | FY 2008-09 End of Year Cash Balance | FY 2009-10 End of Year Cash Balance Estimate | FY 2010-11 End of Year Cash Balance Estimate | FY 2011-12 End of Year Cash Balance Estimate |
|----------------|------------------|-------------------------|-------------------------------------|--|--|--|
| AIR Account    | 406              | \$7,795,824             | \$2,948,740                         | \$2,095,133                                  | \$1,293,989                                  | \$492,845                                    |

Assumptions for Calculations:

- 1) One FTE and associated costs were authorized through the appropriations clause for the statutory expansion discussed above.
- 2) To fully fund a North Front Range Technical Center and respond to the regulatory changes, a second FTE along with the operational costs for establishing and operating the center are necessary.
- 3) The need for a second FTE to staff the technical services Center and the resultant personal services costs are based on an analysis of the number of Technical Center staff employed in other Program Areas per number of failing vehicles annually, and a projection of the number of additional vehicles that will fail as a result of the AQCC's mandated expansion of the program to the North Front Range.
  - a. Based on current vehicle counts it is estimated that the regulatory expansion will add 290,000 new vehicles to the program. Due to the existing testing exemption for vehicles within their first four model years, approximately 230,000 of these vehicles will be subject to biennial testing.
  - b. Assuming 115,000 vehicles tested annually, (half of the 230,000 vehicles identified above as needing biannual testing) and using the 2008 vehicle failure rate of 8.6%, the regulatory expansion will result in 9,890 additional failing vehicles per year.
  - c. Based on 2008 data, AQCD is currently staffed with 1.0 FTE devoted to Technical Center duties per approximately 7,000 failing vehicles. Using this standard of 1.0 Technical Center FTE per 7,000 vehicles and the total increase

in failing vehicles of 15,999 (6,100 from the statutory expansion + 9,890 from the regulatory expansion) means a minimum of 2.0 FTE would be necessary to fund and staff a North Front range technical center. 1.0 of these FTE was appropriated within SB 09-003, and the other is included in this request.

- 4) The facility off-site location lease cost estimate (\$2,500/month) is based on an informal survey of lease costs for suitable locations in the proposed expanded area.
- 5) The setup of automotive diagnostic and repair tools cost estimate (\$18,145) is based upon the tool requirements at the current facilities.
- 6) The facility off-site location operating costs (utilities, property management, all data, and telephone) estimates are based upon a review of operating costs for existing State Emissions Technical Centers.

Impact on Other Government Agencies:

The Department of Revenue will benefit from the use of Emission Technical Center space and reliance on technical center staff expertise in performance of their statutorily mandated auditing of the contractor selected to conduct emission inspection functions for the North Front Range area of the AIR Program. The Department of Revenue will not have a budgetary impact from this Decision Item.

Cost Benefit Analysis:

Establishment of an Emissions Technical Center in the North Front Range will result in a number of tangible environmental and economic benefits. Using technical expertise, the technical center, in connection with both the general training of the local repair community, in repairing emission related problems and in conducting diagnostic evaluations on specific high polluting vehicles will increase the efficiency and effectiveness of emission related repairs required under the AIR Program. This in turn will result in the following tangible benefits to Colorado citizens: 1) a decrease in HC, NO<sub>x</sub> and CO emissions from vehicles operating in the North Front Range; 2) fuel cost savings resulting from the repair of inefficiently operating vehicles; and 3) reduced repair costs for the difficult to repair vehicles that will be evaluated at the Emissions Technical Center. To the extent practicable, these benefits are quantified in the following table:

| Category                    | Analysis of Cost/Benefit  | Benefit  |
|-----------------------------|---|--|
| Vehicle Emission Reductions | Required repairs, as identified by technical center staff will result in additional reductions of HC, NO <sub>x</sub> and CO from vehicles operating within the regulatory expansion area | 633 tons of HC, NO <sub>x</sub> and CO reduced annually  |
| Fuel Savings                | Required repairs, as identified by technical center technicians will save an estimated 41,023 gallons of fuel.  | 41,023 gallons of fuel at \$2.56 per gallon* = \$105,019 in fuel savings attributed to the Technical Center  |
| Reduced Repair Costs        | Training and technical advice provided to automotive repair technicians in the NFR will reduce the repair costs for difficult to repair emission related problems                         | Total benefit is not readily quantifiable, but repair cost savings for an individual motorist with a difficult to repair emission related problem could be several hundred dollars |

\* Average price per gallon taken from DOE U.S. Retail Gasoline Prices Index, Rocky Mountain Region on June 29, 2009

It is reasonable to conclude that the total net savings from having an Emissions Technical Center in the North Front Range will, at a minimum cover its costs in terms of savings to consumers, while at the same time providing important emission reductions and the associated environmental benefits.

Implementation Schedule:

| Task  | Month/Year    |
|---|---------------|
| Hiring process  | May-June 2010 |
| Location for Emission Technical Center evaluated and selected | May-June 2010 |
| FTE Hired   | July 2010     |
| Emission Technical Center Lease signed                        | July 2010     |
| Tools for Technical Center Purchased                          | July 2010     |
| Start-Up Date   | August 2010   |

Statutory and Federal Authority:

**Section 42-4-306(1), C.R.S. (2009) directs the AQCC to establish the AIR Program.**

42-4-306. C.R.S (2009) Powers and duties of commission - automobile inspection and readjustment program - basic emissions program - enhanced emissions program - clean screen program.

*(1) The commission shall develop and evaluate motor vehicle inspection and readjustment programs for the enhanced program area and basic program area and may promulgate such regulations as may be necessary to implement and maintain the necessary performance of said programs consistent with the federal act*

*(2) The commission shall develop and formulate training and qualification programs for state-employed motor vehicle emissions compliance officers to include annual auditor proficiency evaluations*

*(3) (a) (I) (A) The commission shall promulgate rules and regulations for the training, testing, and licensing of emissions inspectors and emissions mechanics and the licensing of inspection and readjustment stations, inspection-only facilities, fleet inspection stations, motor vehicle dealer test facilities, and the authorization of enhanced inspection centers; the standards and specifications for the approval, operation, calibration, and certification of exhaust gas and evaporative emissions measuring instrumentation or test analyzer systems; and the procedures and practices to ensure the proper performance of inspections, adjustments, and required repairs.*

**Section 42-4-306(9)(a)(II), C.R.S. (2009) gives the AQCC authority to expand the AIR Program to areas that violate National Ambient Air Quality Standards.**

42-4-306 (2009) Powers and duties of commission - automobile inspection and readjustment program - basic emissions program - enhanced emissions program - clean screen program.

*(II) The commission shall establish on a case-by-case basis and pursuant to final order any area of a county included in the basic emissions program area pursuant to section 42-4-304 (2) which shall be incorporated into the enhanced emissions program because it violates national ambient air quality standards on or after January 1, 1996, as established by the environmental protection agency.*

**Section 42-4-307(3), C.R.S. (2009) mandates that the division establish and operate technical centers in support of the AIR Program.**

42-4-307 (2009) Powers and duties of the department of public health and environment - division of administration - automobile inspection and readjustment program - basic emissions program - enhanced emissions program - clean screen program.

*(3) The division shall 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, for enhanced inspection centers, for the small business technical assistance program, and for the state smoking vehicle programs provided for in sections 42-4-412 to 42-4-414, and for affected motorists. The division is authorized to enter into a contract or service agreement in accordance with paragraph (a) of subsection (10) of this section for this purpose*



Performance Measures:

| Performance Measure  | Outcome   | CY 2007 | CY 2008 | CY 2009 | CY 2010 |
|--|-----------|---------|---------|---------|---------|
|  |           | Actual  | Actual  | Approp. | Request |
| Percentage of Colorado Counties that are in attainment of the federal ozone standards. | Benchmark | 86%     | 86%     | 86%     | 86%     |
|  | Actual    | 86%     | 86%     |         |         |