

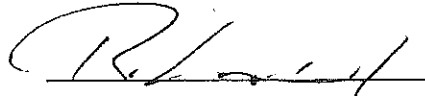
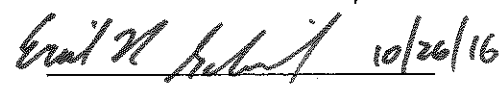
Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Public Health and Environment

Request Title

R-03 Health Facility Survey Staffing Caseload Adjustment

Dept. Approval By:  Supplemental FY 2016-17
 Change Request FY 2017-18
 OSPB Approval By:  10/26/16 Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$10,992,886	\$0	\$10,974,731	\$770,844	\$937,135
	FTE	117.7	0.0	117.7	8.0	10.5
Total of All Line Items Impacted by Change Request	GF	\$129,762	\$0	\$129,762	\$43,519	\$51,734
	CF	\$2,080,481	\$0	\$2,080,481	\$115,367	\$139,806
	RF	\$4,745,662	\$0	\$4,727,507	\$184,573	\$224,642
	FF	\$4,036,981	\$0	\$4,036,981	\$427,385	\$520,953

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,670,747	\$0	\$1,670,747	\$6,339	\$10,345
	FTE	14.4	0.0	14.4	0.1	0.2
10. Health Facilities and Emergency Medical Services , (B) Health Facilities Program - Home and Community Survey	GF	\$74,102	\$0	\$74,102	\$96	\$156
	CF	\$1,596,645	\$0	\$1,596,645	\$6,243	\$10,189
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$539,496	\$0	\$539,496	\$152,547	\$181,195
	FTE	5.5	0.0	5.5	1.4	1.7
10. Health Facilities and Emergency Medical Services , (B) Health Facilities Program - Nursing Facility Survey	GF	\$55,660	\$0	\$55,660	\$43,423	\$51,578
	CF	\$483,836	\$0	\$483,836	\$109,124	\$129,617
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$8,782,643	\$0	\$8,764,488	\$611,958	\$745,595
10. Health Facilities and	FTE	97.8	0.0	97.8	6.5	8.6
Emergency Medical	GF	\$0	\$0	\$0	\$0	\$0
Services , (B) Health	CF	\$0	\$0	\$0	\$0	\$0
Facilities Program -	RF	\$4,745,662	\$0	\$4,727,507	\$184,573	\$224,642
Medicaid / Medicare	FF	\$4,036,981	\$0	\$4,036,981	\$427,385	\$520,953
Certification Program						

CF Letternote Text Revision Required?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	
FF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	
Requires Legislation?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	
Type of Request?	Department of Public Health and Environment Prioritized Request				
Interagency Approval or Related Schedule 13s:	Department of Health Care Policy and Financing				

R-03 Health Facility Survey Staffing Caseload Adjustment, Letternote Revisions

10. Health Facilities and Emergency Medical Services, (B) Health facilities Program – Home and Community Survey:

a Of this amount, an estimated ~~\$803,043~~ **\$804,964** shall be from the Assisted Living Residence Cash Fund created in Section 25-27-107 (1) C.R.S., an estimated ~~\$600,000~~ **\$601,441** shall be from the Home Care Agency Cash Fund created in Section 25-27.5-105, C.R.S., an estimated ~~\$523,982~~ **\$635,987** shall be from the Health Facilities General Licensure Cash Fund created in Section 25-3-103.1 (1), C.R.S., an estimated \$20,000 shall be from the Assisted Living Residence Improvement Cash Fund created in Section 25-27-106 (2) (b) (IV), C.R.S., and an estimated \$133,456 shall be from various sources of cash funds.



Cost and FTE

- The request is for 8.0 FTE and \$770,844 total funds for FY 2017-18, and 10.5 FTE and \$937,135 in ongoing funding.
- Of the total funds for FY 2017-18, the request includes \$43,519 General Fund, \$115,366 Cash Funds, \$184,574 Reappropriated Funds (Medicaid spending authority), and \$427,385 Federal Funds (Medicare). The Reappropriated Medicaid funds will also be shown in the Health Care Policy and Financing Budget as a 50/50 General Fund/federal fund split.

Current Program

- The Acute Care and Nursing Facilities programs survey (inspect) facilities for compliance with state and federal regulations concerning patient health and safety. Acute facilities are typically inspected once every three years, and nursing facilities must be inspected at least every 15 months.
- The complaint program manages the complaint intake process for hundreds of facilities covering all facility types.

Problem or Opportunity

- The provider community and number of complaints have significantly expanded over the last several years, increasing the caseload for the three programs.
- Federal (Medicare), State (Medicaid), and Department licensing regulations establish requirements for surveys.
- The programs have insufficient staffing to meet mandated survey frequencies.

Consequences of Problem

- Failure to perform surveys at required frequencies jeopardizes the quality of programs and health and wellbeing of clients. The federal government also can assess non-delivery deductions if the State fails to survey all facilities in a timely manner.
- If the division continues to have insufficient survey resources, the results could be an inability to complete initial surveys, which would lead to delays in opening facilities and could perpetuate a waitlist in the client population.

Proposed Solution

- The requested 8.0 FTE and \$770,844 will allow the Department to respond to the increased caseload of complaints and required surveys.
- With the increased staff, complaint intake staff can triage complaints and assign complaint investigations (surveys) within the established timeframes required by the Centers for Medicaid and Medicare Services.
- As the division surveys facilities and identifies problems, those problems can be remedied so that overall quality of care is increased.



COLORADO

Department of Public Health and Environment

FY 2017-18 Change Request | November 1, 2016

John W. Hickenlooper
Governor

Larry Wolk, MD MSPH
Executive Director

Department Priority: R-03
Request Detail: Health Facility Survey Staffing Caseload Adjustment

Summary of Incremental Funding Change for FY 2017-18	Total Funds	General Fund
Health Facilities Survey Staffing Caseload Adjustment	\$770,844	\$43,519

Problem or Opportunity:

This request seeks a total of 10.5 FTE over two years. The request is 8.0 FTE and \$770,844 total funds for FY 2017-18, and 10.5 FTE and \$937,135 in on-going funding. Of the total funds for FY 2017-18, the request includes \$43,519 General Fund, \$115,366 Cash Funds, \$184,574 Reappropriated Funds (Medicaid spending authority), and \$427,385 Federal Funds (Medicare). The Medicaid funds will also be shown in the Health Care Policy and Financing Budget as a 50/50 General Fund/Federal Fund split (\$92,287 General Fund and \$92,287 Federal Funds).

This request addresses a need for a resource increase across three programs. Two of the programs, Acute Care Section and Nursing Facilities Section are programs that visit facilities and survey (inspect) them for compliance with state and federal regulations concerning patient health and safety. The third program manages the complaint intake process for all facility types. Complaints can be filed by any person, against any facility for any reason. The complaint investigation team will perform intake activities (receive the initial complaint, gather information from the complainant, determine if we have jurisdiction, etc.) and assess the severity of the complaint for investigation.

All three programs have seen an increase in caseload. Caseload in this case refers to either the number of facilities that need to be surveyed on a regular basis, or an increase in complaints that need to be triaged and investigated.

The provider community served by the two survey programs has significantly expanded over the last several years and the programs have insufficient staffing to meet workload requirements within required frequencies. The Acute Care Section surveys (hospitals, ambulatory surgical centers, end stage renal disease centers, freestanding emergency departments, etc.), and the Nursing Facility Section oversees nursing homes.

If the Division continues to have insufficient survey resources, the results could be an inability to complete initial surveys and may perpetuate the waitlist in the client population. If facilities cannot receive their initial survey in a timely fashion, it could delay their opening and thus potentially create access issues for clients/residents to receive services. While the Division currently surveys all new facilities in a timely manner, that workload absorbs resources that could be conducting a routine survey of an existing facility.

Another outcome of insufficient survey staff is that a failure to perform surveys at required frequencies jeopardizes the quality of programs and health and well-being of clients. The surveys identify “deficient practices” or areas where the facility does not meet the required regulatory standards. The potential deficiencies can cover a wide range of areas (such as resident rights, infection control, dietary requirements, etc) and can also cover a range of severity (such as a potential to cause harm to an individual to having caused actual harm, including death, of an individual or group of patients). The federal government can assess non-delivery deductions if the State fails to survey all facilities in a timely manner. Furthermore, complaints in these facility types received by the Department continue to increase at a fast enough rate that the staff can no longer appropriately triage all issues and assign the issues for follow-up investigation in a timely fashion.

The Colorado health care provider community has been expanding at a fast pace, as illustrated by the number of “neighborhood emergency departments” that are opening each year throughout the Front Range. These neighborhood emergency departments, or Freestanding Emergency departments, are facilities prepared to provide emergency healthcare services, but the facility is not physically attached to or located near a hospital. Furthermore, the Department is anticipating the opening of six new nursing facilities in the state in the near future. The number of nursing facilities has typically increased by one per year over the past few years.

		Acute Care Facilities (short-term stays)			Nursing Facilities (long-term stays)
		Hospital	Community Clinic	Community Clinic With Emergency (Freestanding ED)	Nursing Homes
05/01/2014	Facilities	103	37	14	218
	Beds	12,931	109	18	20,452
05/01/2015	Facilities	107	35	30	219
	Beds	12,797	103	74	20,668
05/01/2016	Facilities	108	36	37	220
	Beds	13,027	172	160	20,697
Projection 05/01/2017	Facilities	114	36	42	226
	Beds	13,119	172	210	21,143
Growth In Facilities	Number	11	-1	28	8
	Percentage	10.68%	-2.70%	200.00%	3.67%
Growth in Beds	Number	188	63	192	691
	Percentage	1.45%	57.80%	1066.67%	3.38%

Over the last several years, the number of complaints the Department received from patients, family members, or advocacy groups has also increased. This leads to an increase in the number of cases that need to be triaged, evaluated for severity, and assigned as appropriate for follow-up investigation. It is important to note that this continued increase in complaints has been noted across the United States and, given the recent surge in population growth, the need in Colorado is profound. The Centers for Medicare and Medicaid Services mission and priority document states that the number of on-site complaint investigations increased after FY 2000-01, then declined during the period of severe Survey and Certification budget challenges, and more recently increased to an all-time high. Completed complaint investigations (including life safety code complaint investigations) increased by 13.3% from FY 2000-01 to FY 2009-10.

States have faced numerous challenges which contribute to not meeting timeliness requirements such as: the increase in complaint volume and complexity as acknowledged in the annual CMS Mission & Priority Document; hiring freezes, retirement of experienced staff, furloughs, and short timeframes for certain types of complaints (e.g. Emergency Medical Treatment and Labor Act (EMTALA)).

The complaints staff are performing multiple activities including intake, assessment/triage, assignment of complaints, and complaint investigation. There is also an inherent unpredictability of the type or seriousness of complaints. Finally, for survey staff, there are conflicting priorities between routine surveys, and condition level complaint investigation surveys and findings (investigating complaints takes resources from routine surveys). It is important to note that the complaint intake staff are separate from the survey staff. The Complaint Intake Unit does the intake, assessment/triage, and complaint assignment. If a complaint needs to be investigated, the survey team for that particular facility type then takes over. The position being requested for complaints is for intake, and the workload for complaint surveys is built into the acute and nursing facility staffing workload depicted in the appendix.

Complaint Intake and Investigation						
Calendar Year	Hotline Complaint Calls	Complaint Surveys	Increase in Complaint Calls	Increase in Complaint Surveys	Percentage Increase in Calls	Percentage Increase in Surveys
2013	1572	934	NA	NA	NA	NA
2014	1930	975	358	41	22.7%	4.4%
2015	2383	964	453	(11)	23.4%	(0.1%)
2016 YTD	734	639	Will be updated at the end of the year			

The Division has undertaken several process improvement projects to standardize the survey process across different facility types to ensure that each team provides a consistently thorough survey for the providers. This is especially important for those providers who provide a continuum of care for patients, such as an assisted living residence where patients can transition to a nursing facility section of the same facility. Ensuring that standards are applied consistently is important so that providers know what to expect during the survey process.

Further, the Division is working to standardize the paperwork processing functions across programs. This allows for greater flexibility among the records staff to ensure that all documents are completed, filed, reported, and retained as needed. There is less confusion when all processes are the same rather than having exceptions for one facility type or another. Other standardization processes include identifying common documentation requirements (what observances do surveyors need to document to identify deficient practices) instituting a common writing style and format for all deficiency lists.

It should be noted that while processes are being standardized as much as possible, the regulations that facilities must comply with are different across facility types. Assisted Living Residences do not have the same requirements as an End Stage Renal Dialysis Center; nor should they as they provide different services to patients.

Proposed Solution:

The proposed solution would provide a total of 10.5 FTE over two years. The request is 8.0 FTE and \$770,844 total funds for FY 2017-18, and 10.5 FTE and \$937,135 in on-going funding. Of the total funds for FY 2017-18, the request includes \$43,519 General Fund, \$115,366 Cash Funds, \$184,574 Reappropriated Funds (Medicaid spending authority), and \$427,385 Federal Funds (Medicare). The Medicaid funds will also be shown in the Health Care Policy and Financing Budget as a 50/50 General Fund/Federal Fund split (\$92,287 General Fund and \$92,287 Federal Funds).

This proposed solution increases the number of staff to cover the increased caseload of complaints, and required surveys for the facility numbers that are increasing. Based on federal (Medicare), State (Medicaid and licensing) requirements, the surveys themselves cannot be shortened significantly, and thus an increase in facilities will directly lead to an increased need for staff.

The request increases staffing levels in the three programs. This will then in turn increase the division's ability to complete surveys in a timely fashion, and to assess and assign complaints in a timely fashion. The ultimate beneficiary of the increased staffing levels is the patient in any given facility. As the division surveys facilities and identifies problems, those problems can be remedied so that overall quality of care is increased. Furthermore, the facilities themselves may benefit from the increase as they could have issues identified (and ultimately resolved) that otherwise may have become worse over time.

The division has a philosophy of working with individual facilities in a collaborative manner to help the facility resolve issues through compliance rather than a punitive relationship where enforcement actions are taken. If a facility does not come into voluntary compliance, then enforcement actions will be taken, but that is as a last resort, rather than the first tool used.

This request covers a variety of funding sources. Nursing facility surveys expenses are paid from a combination of federal Medicare funds, Medicaid funds (partially federal funds and partial state General Fund) and a small amount of state licensure cash funds. Acute care survey expenses are paid from a combination of federal Medicare funds and state licensure cash funds, and state General Fund. Complaints are also covered by a combination of all four funding sources (Medicaid, Medicare, cash and General Fund), with the cash funds spanning three individual cash fund accounts based on the facility type. General fund supports government owned facilities and helps to keep fees lower for some of the facility types.

This request will also necessitate a need for an increase in federal Medicare funds which are received by the division via a contract with the federal Centers for Medicaid and Medicare Services. The federal fiscal year spans October 1 through September 30, and as such lags three months behind the state fiscal year. To further complicate budgeting processes the federal budget process does not occur until February and March of the *current* fiscal year (i.e. the states process federal budget documents for the current federal fiscal year in February). Therefore, the division will not receive a final approval of federal funds until well after the start of the state fiscal year. However, division staff and management have already been discussing the need for additional resources with staff from the federal agency and they have provided informal indications that they would be supportive of a resource increase.

Below is a chart of the costs by program and fund source. A detailed calculation of the hours needed per program is included in Appendix A.

The fund splits are derived from the historical use of various fund sources in the impacted programs. The complaints unit employees are funded by all of the listed fund sources. Acute facility staff only impact

Medicare (Federal) and General Licensure cash funds. Nursing facility staff are funded from Medicaid and Medicare funding.

Dollars Needed

	Complaints	Acute	NF	Total*
	2017-18	2017-18	2017-18	2017-18
Medicaid	\$11,523	\$0	\$173,051	\$184,574
Medicare	\$29,289	\$225,046	\$173,051	\$427,385
Assisted Living Residence Cash Fund 2460	\$1,921	\$0	\$0	\$1,921
Home Care Cash Fund 22R0	\$1,441	\$0	\$0	\$1,441
General Licensure Cash Fund 2650	\$2,881	\$109,124	\$0	\$112,005
General Fund	\$96	\$43,423	\$0	\$43,519
Total	\$47,150	\$377,593	\$346,101	\$770,844

*Numbers don't add due to rounding

FTE Needed

	Complaints	Acute	NF	Total
	2017-18	2017-18	2017-18	2017-18
Medicaid	0.10	0.00	1.75	1.85
Medicare	0.30	2.67	1.75	4.72
Assisted Living Residence Cash Fund 2460	0.03	0.00	0.00	0.03
Home Care Cash Fund 22R0	0.02	0.00	0.00	0.02
General Licensure Cash Fund 2650	0.05	1.20	0.00	1.25
General Fund	0.00	0.17	0.00	0.17
Total	0.50	4.04	3.50	8.04

In the complaint intake unit, the detailed workload calculations shown in Appendix A depict a need for 3.5 FTE exclusive of supervisory support. The unit has 2.0 intake specialists and this request would increase that to 3.0. The supervisor does do some complaint intake work, although with his other duties, not the same amount as the other staff. This request would increase the complaint unit 0.5 FTE in the first year and increase it to 1.0 in the second year.

In the Acute Facility unit, the detailed workload calculations shown in appendix A depict a need for 12.9 surveyor FTE (exclusive of supervisory and manager support). The unit currently has 8.0 surveyor FTE. This request would add 4.0 additional surveyor staff for a total of 12.0 in FY 2017-18 and an additional 1.0 FTE for a total of 13.0 FTE in FY 2018-19 and on-going.

In the nursing facility unit, the detailed workload calculations shown in Appendix A depict a need for 40.4 surveyor FTE (exclusive of supervisor and manager support). The unit currently has 38.0 surveyor FTE. This request will add 2.5 surveyor FTE (and 1.0 supervisor FTE), increasing surveyor staff to 40.5 FTE. The supervisor does participate in some survey activities, however, due to other duties does not complete as much survey work as other staff. FY 2018-19 will add another full FTE (surveyor) for this unit resulting in a total of 41.5 FTE.

All requested funding is ongoing as the number of health facilities in Colorado continues to grow. Further, most facilities are resurveyed on a regular basis. For the majority of facilities the resurvey cycle is every three years. However, nursing facilities (by federal regulation) must be surveyed at least once every 15 months.

The Department of Health Care Policy and Financing will be impacted with this request as the Medicaid funding is initiated to the state via that department. HCPF will submit a corresponding Schedule 13 with this request. The only HCPF impact is the Medicaid funding, all other funding is strictly CDPHE. The Medicaid funds will be shown in the Health Care Policy and Financing Budget as a 50/50 General Fund/federal fund split. (\$92,287 General Fund and \$92,287 Federal Funds).

The Department considered other options such as remaining with the status quo (not requesting additional staff) and requesting more staff than is included in this request. While additional staffing is needed for the programs (identify actual need based on original calculations), that increase was determined to be too large to be manageable with division resources for on boarding, etc. The status quo was determined to be untenable as the overall workload continues to increase and staff cannot keep up. The concern is that if surveys are not completed in the appropriate timeframes that poor outcomes in the patient realm could occur. While there still could be some delay in completing all surveys with this reduced request, the additional staff will significantly help to narrow the gap between surveys that are delayed and surveys completed on time.

Anticipated Outcomes:

This request is a two year project that seeks a total of 10.5 FTE over two years. The request is 8.0 FTE and \$770,844 total funds for FY 2017-18, and 10.5 FTE and \$937,135 in on-going funding. Of the total funds for FY 2017-18, the request includes \$43,519 General Fund, \$115,366 Cash Funds, \$184,574 Reappropriated Funds (Medicaid spending authority), and \$427,385 Federal Funds (Medicare). The Medicaid funds will also be shown in the Health Care Policy and Financing Budget as a 50/50 General Fund/Federal Fund split (\$92,287 General Fund and \$92,287 Federal Funds).

With the additional resources, the division anticipates being able to maintain frequency requirements in surveys of facilities. Most facilities are surveyed every three years (after their initial surveys when opening). However, nursing facilities must be surveyed no less frequently than once every 15 months.

The division tracks the number of surveys completed of each facility type and compares that with the number of facilities required to be surveyed in any given year. For unpredictable workload (complaints and initial surveys) the division will track the number, and percentage, completed within appropriate timeframes.

The division will know that the proposed solution is successful when all surveys are completed within the appropriate timeframes.

	Initial	Resurvey	Follow-Up	Complaint	Total
					Need
Acute Facilities	14	100	28	116	258
Nursing Facilities	6	216	316	315	853
					Current staffing
Acute Facilities	14	80	18	20	132
Nursing Facilities	6	193	316	265	780
					With Decision Item
Acute Facilities	14	67	28	95	204
Nursing Facilities	6	216	316	315	853

The outcome links to the department performance plan by meeting the regulatory and statutory requirements that have been set forth. In addition, these outcomes contribute to the overall mission of the Department by contributing to the health outcomes for citizens and visitors.

Assumptions and Calculations:

This request seeks a total of 10.5 FTE over two years. The request is 8.0 FTE and \$770,844 total funds for FY 2017-18, and 10.5 FTE and \$937,135 in on-going funding. Of the total funds for FY 2017-18, the request includes \$43,519 General Fund, \$115,366 Cash Funds, \$184,574 Reappropriated Funds (Medicaid spending authority), and \$427,385 Federal Funds (Medicare).

The requested FTE for FY 2017-18 will be 7.0 Health Professional III positions hired at \$4,659 per month. This is the division minimum which is 12 percent above the range minimum. Experience at the division shows that by hiring at the grade minimum, quality staff cannot be attracted, or retained. Increasing the base salary by 12% has allowed the division to attract and retain staff. In addition, 1.0 of the additional FTE will be a Health Professional (HP) V level position for supervisory work in the Nursing Facility section. Base salary for the HP V position is \$5,788 per month,

Appendix A shows a detailed breakdown of staffing and workload assumptions that were used to calculate the 9.0 FTE described above. This table details, by program or work unit, each of the major survey types, and tasks within those survey types. The table then calculates the hours needed per task, per surveyor, per survey. The table then calculates out the level of effort needed to complete the required workload across all surveys in the programs.

In the complaint intake unit, the detailed workload calculations depict a need for 3.5 FTE exclusive of supervisory support. The unit has 2.0 intake specialists and this request would increase that to 3.0. The supervisor does do some complaint intake work, although with his other duties, not the same amount as the other staff. This request would increase the complaint unit 0.5 FTE in the first year and increase it to 1.0 in the second year.

In the Acute Facility unit, the detailed workload calculations depict a need for 13.5 surveyor FTE (exclusive of supervisory and manager support). The unit currently has 8.0 surveyor FTE and this request would add 4.0 additional surveyor staff for a total of 12.0 in FY 2017-18 and an additional 1.0 FTE for a total of 13.0 FTE in FY 2018-19 and on-going.

In the nursing facility unit, the detailed workload calculations depict a need for 42.3 surveyor FTE (exclusive of supervisor and manager support). The unit currently has 38.0 surveyor FTE. This request will add 2.5 surveyor FTE (and 1.0 supervisor FTE), increasing surveyor staff to 40.5 FTE. The supervisor does participate in some survey activities, however, due to other duties does not complete as much survey work as other staff. FY 2018-19 will add another full FTE (surveyor) for this unit resulting in 41.5 in on-going FTE surveyors.

Travel time is variable based on the distance that surveyors need to travel. The requested surveyors will be based out of the Denver office (the division has surveyors based in Pueblo, Grand Junction, and Longmont).

- Approximately 400 overnight stays for surveyors (across the 9.0 FTE) will be needed. The cost for overnight surveys is \$75 per night per surveyor for hotel and \$46 per day per surveyor for per diem. (Total \$121).
- At this time there is no need to purchase additional fleet vehicles as the division fleet is sufficient. However, each vehicle will be used more to cover the additional surveys and thus the variable mileage costs will increase.
- The division estimates that these two survey teams can complete 73 surveys per year per team, at an average of 40 miles per survey. This equates to 2,920 miles driven each year, per team. Or 5,840 miles total.
- Nursing Facilities staff survey (typically) in groups of four – 73 surveys X 4 = 292 overnight stays.
- Acute facility staff vary in numbers for surveys, but typically send 2-3 staff. At 3 staff per survey X 73 surveys = 219 overnight stays.
- Together the two survey teams would use 511 overnight stays. However, some of the facilities are in the Denver area and the surveyors can return to their homes overnight. Thus, the division estimates needing 400 nights of hotels and per diem rates.

The fund splits are derived from the historical use of various fund sources in the impacted programs. The complaints unit employees are funded by all of the listed fund sources. Acute facility staff only impact Medicare (Federal) and General Licensure cash funds. Nursing facility staff are funded from Medicaid and Medicare funding. General fund supports government owned facilities and helps to keep fees lower for some of the facility types.

Cash Fund Name	Assisted Living Residence Cash Fund (2460)	Home Care License Cash Fund (22R0)	General Licensure Cash Fund (2650)
FY 2014-15 Fund Balance	\$0	(\$69,054)	\$136,042
FY 2015-16 Fund Balance	\$105,605	\$71,498	\$290,453
FY 2016-17 Projected Fund balance	\$59,138	\$67,799	\$271,571
FY 2017-18 projected fund balance with Decision Item	\$45,143	\$93,803	\$150,858
FY 2018-19 projected Fund balance with Decision Item	\$60,603	\$76,306	\$158,772

Each of these cash funds pays a portion of the complaint staff time. Complaints are received for all facility types (General licensure includes hospitals, ambulatory surgical centers, nursing facilities, etc, and Home care facilities and assisted living facilities each pay licensure fees into separate funds for the support of those programs.

Appendix A

Below is a list of all the assumptions used in completing the calculations on the Appendix a chart:

1. FTE calculations are based on 2080 hours per fiscal year per 1.0 FTE.
2. FTE calculations are rounded to the nearest 0.1 FTE.
3. It is assumed that the activities conducted to certify a HCBS-DD, HCBS-SLS or HCBS-CES provider will be similar to those conducted to license or certify other facility/provider types. In general these are:
 - A. Application processing and applicant technical assistance
 - B. On-site survey, plan of correction review, and related re-visits
 - C. Investigations made in response to complaints
 - D. Review of occurrence and incident reports
 - E. Reviews for informal dispute resolution
 - F. Imposition of intermediate conditions on an agency
 - G. Revocation or denial of a certification

FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).

General Fund FTE -- New full-time General Fund positions are reflected in Year 1 as 0.9166 FTE to account for the pay date shift. This applies to personal services costs only; operating costs are not subject to the pay-date shift.

Expenditure Detail		FY 2017-18		FY 2018-19	
Personal Services:					
Classification Title	Monthly	FTE		FTE	
Health Professional III	\$4,659	7.0	\$423,354	9.5	\$571,956
PERA			\$42,970		\$58,054
AED			\$21,168		\$28,597
SAED			\$21,168		\$28,597
Medicare			\$6,138		\$8,294
STD			\$804		\$1,087
Health-Life-Dental			\$63,418		\$79,272
Subtotal Position 1, ## FTE		7.0	\$579,020	9.5	\$775,857
Classification Title	Monthly	FTE		FTE	
	\$5,788	1.0	\$69,456	1.0	\$69,456
PERA			\$7,050		\$7,050
AED			\$3,473		\$3,473
SAED			\$3,473		\$3,473
Medicare			\$1,007		\$1,007
STD			\$132		\$132
Health-Life-Dental			\$7,927		\$7,927
Subtotal Position 2, ## FTE		1.0	\$92,518	1.0	\$92,518
Subtotal Personal Services		8.0	\$671,538	10.5	\$868,375
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	\$500	8.0	\$4,000	10.5	\$5,250
Telephone Expenses	\$450	8.0	\$3,600	10.5	\$4,725
PC, One-Time	\$1,230	9.0	\$11,070	2.0	\$2,460
Office Furniture, One-Time	\$3,473	9.0	\$31,257	2.0	\$6,946
Travel	121.0	401.0	\$48,521	401.0	\$48,521
Variable Mileage	0.147	5840.0	\$858	5,840.0	\$858
Other					
Other					
Subtotal Operating Expenses			\$99,306		\$68,760
TOTAL REQUEST		8.0	\$770,844	10.5	\$937,135
	<i>General Fund:</i>	<i>0.2</i>	<i>\$43,519</i>	<i>0.2</i>	<i>\$51,734</i>
	<i>Cash funds:</i>	<i>1.3</i>	<i>\$115,366</i>	<i>1.7</i>	<i>\$139,806</i>
	<i>Reappropriated Funds:</i>	<i>1.9</i>	<i>\$184,574</i>	<i>2.5</i>	<i>\$224,642</i>
	<i>Federal Funds:</i>	<i>4.7</i>	<i>\$427,385</i>	<i>6.2</i>	<i>\$520,953</i>

R-3 Health Facilities Survey Staffing Caseload Adjustment - Appendix A

Complaints						
Activity	Hours per instance		Surveyors per survey	Extended Hours		
	HP III	HP V		HP III	HPV	Total
Complaints						
Intake and Scheduling	2.00	0.00	1.00	4,800.00	0.00	4,800.00
On site	0.00	0.00	0.00	0.00	0.00	0.00
Off Site	0.00	0.00	0.00	0.00	0.00	0.00
Plan of correction review	0.00	4.00	0.00	0.00	2,464.00	2,464.00
Supervisor Review	0.00	0.00	0.00	0.00	0.00	0.00
Travel	0.00	0.00	0.00	0.00	0.00	0.00
						0.00
						0.00
Total hours	2.00	4.00	1.00	4,800.00	2,464.00	7,264.00
Total FTE	0.00	0.00	0.00	2.3	1.2	3.5

R-3 Health Facilities Survey Staffing Caseload Adjustment - Appendix A

Acute Facilities						
Activity	Hours per instance		Surveyors per survey	Extended Hours		
	HP III	HP V		HP III	HPV	Total
Initial Application Technical Assistance	0.00	0.00	0.00	0.00	0.00	0.00
Initial Application Processing	0.00	0.00	0.00	0.00	0.00	0.00
Initial Application Fitness Review	0.00	0.00	0.00	0.00	0.00	0.00
Certification Application Review – Technical Assistance	0.00	0.00	0.00	0.00	0.00	0.00
Fitness Review	0.00	0.00	0.00	0.00	0.00	0.00
Routine Survey, Including validation Surveys						
Scheduling	2.00	0.00	3.00	600.00	0.00	600.00
On site	32.00	2.00	3.00	9,600.00	200.00	9,800.00
Off Site	12.00	1.00	3.00	3,600.00	100.00	3,700.00
Plan of correction review				0.00	0.00	0.00
Supervisor Review		1.00		0.00	100.00	100.00
Travel	5.00	0.00	3.00	1,500.00	0.00	1,500.00
Initial Surveys						
Scheduling and Presurvey	2.00		3.00	84.00	0.00	84.00
On site	8.00	0.00	3.00	336.00	0.00	336.00
Off Site	2.00	0.25	3.00	84.00	3.50	87.50
Plan of correction review	0.00	0.00	3.00	0.00	0.00	0.00
Supervisor Review	0.00	0.25	3.00	0.00	3.50	3.50
Travel	5.00	0.00	3.00	210.00	0.00	210.00
Survey Revisits						
Scheduling and Presurvey	2.00		2.50	140.00	0.00	140.00
On site	8.00	0.00	2.50	560.00	0.00	560.00
Off Site	3.00	0.25	2.50	210.00	7.00	217.00
Plan of correction review			2.50	0.00	0.00	0.00
Supervisor Review		0.75	2.50	0.00	21.00	21.00
Travel	5.00		2.50	350.00	0.00	350.00
Complaint						
Scheduling and Presurvey	2.00		2.50	580.00	0.00	580.00
On site	16.00	1.00	2.50	4,640.00	116.00	4,756.00
Off Site	10.00	2.00	2.50	2,900.00	232.00	3,132.00
Plan of correction review			2.50	0.00	0.00	0.00
Supervisor Review		1.00	2.50	0.00	116.00	116.00
Travel	5.00		2.50	1,450.00	0.00	1,450.00
Total hours	119.00	9.50		26,844.00	899.00	27,743.00
Total FTE	0.06	0.00	0.00	12.9	0.4	13.34

R-3 Health Facilities Survey Staffing Caseload Adjustment - Appendix A

Nursing Facilities						
Activity	Hours per instance		Surveyors per survey	Extended Hours		
	HP III	HP V		HP III	HPV	Total
Initial Application Technical Assistance	0.00	0.00	0.00	0.00	0.00	0.00
Initial Application Processing	0.00	0.00	0.00	0.00	0.00	0.00
Initial Application Fitness Review	0.00	0.00	0.00	0.00	0.00	0.00
Certification Application Review – Technical Assistance	0.00	0.00	0.00	0.00	0.00	0.00
Fitness Review	0.00	0.00	0.00	0.00	0.00	0.00
Routine Survey						
Scheduling and Presurvey	2.00		4.00	1,728.00	0.00	1,728.00
On site	44.00		4.00	38,016.00	0.00	38,016.00
Off Site	14.00	4.00	4.00	12,096.00	864.00	12,960.00
Plan of correction review			4.00	0.00	0.00	0.00
Supervisor Review		8.00	4.00	0.00	1,728.00	1,728.00
Travel	5.00		4.00	4,320.00	0.00	4,320.00
Initial Surveys						
Scheduling and Presurvey	2.00		4.00	48.00	0.00	48.00
On site	20.00		2.00	240.00	0.00	240.00
Off Site	9.50	1.00	2.00	114.00	6.00	120.00
Plan of correction review			4.00	0.00	0.00	0.00
Supervisor Review		0.75	4.00	0.00	4.50	4.50
Travel	5.00		4.00	120.00	0.00	120.00
Survey Revisits						
Scheduling and Presurvey	2.00		1.50	948.00	0.00	948.00
On site	10.00		1.50	4,740.00	0.00	4,740.00
Off Site	6.00	2.00	1.50	2,844.00	632.00	3,476.00
Plan of correction review			1.50	0.00	0.00	0.00
Supervisor Review		3.00	1.50	0.00	948.00	948.00
Travel	5.00		1.50	2,370.00	0.00	2,370.00
Complaint						
Scheduling and Presurvey	2.00		1.50	945.00	0.00	945.00
On site	14.00	2.00	1.50	6,615.00	630.00	7,245.00
Off Site	14.00	2.00	1.50	6,615.00	630.00	7,245.00
Plan of correction review			1.50	0.00	0.00	0.00
Supervisor Review		2.00	1.50	0.00	630.00	630.00
Travel	5.00		1.50	2,362.50	0.00	2,362.50
						0.00
Total hours	159.50	24.75		84,121.50	6,072.50	90,194.00
Total FTE	0.08	0.01	0.00	40.4	2.9	43.36

R-3 Health Facilities Survey Staffing Caseload Adjustment - Appendix A

Total Facilities						
Activity	Hours per instance		Surveyors per survey	Extended Hours		
	HP III	HP V		HP III	HPV	Total
Initial Application Technical Assistance	0.00	0.00	0.00	0.00	0.00	0.00
Initial Application Processing	0.00	0.00	0.00	0.00	0.00	0.00
Initial Application Fitness Review	0.00	0.00	0.00	0.00	0.00	0.00
Certification Application Review – Technical Assistance	0.00	0.00	0.00	0.00	0.00	0.00
Fitness Review	0.00	0.00	0.00	0.00	0.00	0.00
Routine Survey						
Scheduling and Presurvey	4.00	0.00	7.00	2,328.00	0.00	2,328.00
On site	76.00	2.00	7.00	47,616.00	200.00	47,816.00
Off Site	26.00	5.00	7.00	15,696.00	964.00	16,660.00
Plan of correction review	0.00	0.00	4.00	0.00	0.00	0.00
Supervisor Review	0.00	9.00	4.00	0.00	1,828.00	1,828.00
Travel	10.00	0.00	7.00	5,820.00	0.00	5,820.00
Initial Surveys						
Scheduling and Presurvey	4.00	0.00	7.00	132.00	0.00	132.00
On site	28.00	0.00	5.00	576.00	0.00	576.00
Off Site	11.50	1.25	5.00	198.00	9.50	207.50
Plan of correction review	0.00	0.00	7.00	0.00	0.00	0.00
Supervisor Review	0.00	1.00	7.00	0.00	8.00	8.00
Travel	10.00	0.00	7.00	330.00	0.00	330.00
Survey Revisits						
Scheduling and Presurvey	4.00	0.00	4.00	1,088.00	0.00	1,088.00
On site	26.00	1.00	4.00	5,300.00	0.00	5,300.00
Off Site	16.00	4.00	4.00	3,054.00	639.00	3,693.00
Plan of correction review	0.00	0.00	4.00	0.00	0.00	0.00
Supervisor Review	0.00	4.00	4.00	0.00	969.00	969.00
Travel	10.00	0.00	4.00	2,720.00	0.00	2,720.00
Complaints						
Intake and Scheduling	6.00	0.00	5.00	6,325.00	0.00	6,325.00
On site	30.00	3.00	4.00	11,255.00	746.00	12,001.00
Off Site	24.00	4.00	4.00	9,515.00	862.00	10,377.00
Plan of correction review	0.00	4.00	4.00	0.00	2,464.00	2,464.00
Supervisor Review	0.00	3.00	4.00	0.00	746.00	746.00
Travel	10.00	0.00	4.00	3,812.50	0.00	3,812.50
Total hours	280.50	38.25	1.00	115,765.50	9,435.50	125,201.00
Total FTE	0.1	0.0	0.0	55.7	4.5	60.2

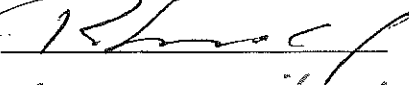

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Public Health and Environment

Request Title

R-01 Clean Water Sectors Funding

Dept. Approval By:  Supplemental FY 2016-17
 _____ X Change Request FY 2017-18
 OSPB Approval By:  10/20/16 Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$9,470,652	\$0	\$8,239,130	\$1,208,007	\$1,208,007
	FTE	114.0	0.0	114.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$3,944,551	\$0	\$2,736,544	\$433,042	\$433,042
	CF	\$3,466,442	\$0	\$3,442,927	\$774,965	\$774,965
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$2,059,659	\$0	\$2,059,659	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,986,533	\$0	\$1,986,533	\$0	\$0
	FTE	19.4	0.0	19.4	0.0	0.0
05. Water Quality Control Division, (A) Administration - Administration	GF	\$548,464	\$0	\$548,464	(\$62,569)	(\$62,569)
	CF	\$379,565	\$0	\$379,565	\$62,569	\$62,569
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$1,058,504	\$0	\$1,058,504	\$0	\$0
	Total	\$2,017,550	\$0	\$1,655,148	\$362,402	\$362,402
	FTE	25.4	0.0	25.4	0.0	0.0
05. Water Quality Control Division, (B) Clean Water Sectors - Commerce and Industry Sector	GF	\$1,049,611	\$0	\$687,209	\$182,228	\$182,228
	CF	\$725,873	\$0	\$725,873	\$143,565	\$143,565
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$242,066	\$0	\$242,066	\$36,609	\$36,609

	Total	\$1,527,450	\$0	\$1,503,935	\$0	\$0
	FTE	20.3	0.0	20.3	0.0	0.0
05. Water Quality Control Division, (B)	GF	\$335,081	\$0	\$335,081	(\$74,878)	(\$74,878)
Clean Water Sectors - Construction Sector	CF	\$1,077,180	\$0	\$1,053,665	(\$20,874)	(\$20,874)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$115,189	\$0	\$115,189	\$95,752	\$95,752

	Total	\$239,066	\$0	\$178,666	\$60,400	\$60,400
	FTE	3.1	0.0	3.1	0.0	0.0
05. Water Quality Control Division, (B)	GF	\$122,868	\$0	\$62,468	\$40,558	\$40,558
Clean Water Sectors - Municipal Separate Storm Sewer System Sector	CF	\$80,545	\$0	\$80,545	\$22,480	\$22,480
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$35,653	\$0	\$35,653	(\$2,638)	(\$2,638)

	Total	\$117,600	\$0	\$117,600	\$0	\$0
	FTE	1.0	0.0	1.0	0.0	0.0
05. Water Quality Control Division, (B)	GF	\$0	\$0	\$0	\$95,543	\$95,543
Clean Water Sectors - Pesticides Sector	CF	\$17,600	\$0	\$17,600	(\$11,784)	(\$11,784)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$100,000	\$0	\$100,000	(\$83,759)	(\$83,759)

	Total	\$3,359,358	\$0	\$2,574,153	\$785,205	\$785,205
	FTE	43.3	0.0	43.3	0.0	0.0
05. Water Quality Control Division, (B)	GF	\$1,888,527	\$0	\$1,103,322	\$243,120	\$243,120
Clean Water Sectors - Public and Private Utilities Sector	CF	\$982,584	\$0	\$982,584	\$598,858	\$598,858
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$488,247	\$0	\$488,247	(\$56,773)	(\$56,773)

	Total	\$223,095	\$0	\$223,095	\$0	\$0
	FTE	1.5	0.0	1.5	0.0	0.0
05. Water Quality Control Division, (B)	GF	\$0	\$0	\$0	\$9,040	\$9,040
Clean Water Sectors - Water Quality Certification Sector	CF	\$203,095	\$0	\$203,095	(\$19,849)	(\$19,849)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$20,000	\$0	\$20,000	\$10,809	\$10,809

CF Letternote Text Revision Required	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
FF Letternote Text Revision Required	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Requires Legislation?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Type of Request?	Department of Public Health and Environment Prioritized Request		
Interagency Approval or Related Schedule	None		

R-01 Clean Water Sectors Funding Letternote Adjustments

05. Water Quality Control Division, (B) Clean Water Sectors:

~~a Of this amount, an estimated \$175,000 shall be from the Biosolids Management Program Fund created in Section 30-20-110.5 (3), C.R.S., and an estimated \$2,911,877 shall be from various sources of cash funds.~~

a This amount shall be from the Commerce and Industry Sector Fund created in Section 25-8-502(1.5)(a)(I), C.R.S.

b This amount shall be from the Construction Sector Fund created in Section 25-8-502(1.5)(a)(II), C.R.S.

c This amount shall be from the Municipal Separate Storm Sewer System Sector Fund created in Section 25-8-502(1.5)(a)(IV), C.R.S.

d This amount shall be from the Pesticides Sector Fund created in Section 25-8-502(1.5)(a)(III), C.R.S.

e This amount shall be from the Public and Private Utilities Sector Fund created in Section 25-8-502(1.5)(a)(V), C.R.S.

f This amount shall be from the Water Quality Certification Sector Fund created in Section 25-8-502(1.2)(a), C.R.S.



Cost and FTE

- The Colorado Department of Public Health and Environment requests that the Joint Budget Committee sponsor legislation to adjust funding and provide commensurate fee increases for the Clean Water Program in its Water Quality Control Division.
- The Department seeks \$433,042 General Fund, \$774,965 Cash Fund, and net \$0 Federal Fund adjustments spending authority in FY 2017-18 and on-going to continue to provide the same level of services to its stakeholders.

Current Program

- The Clean Water Program is established by statute in the Water Quality Control Act, and is delegated authority by the Environmental Protection Agency to control pollution in state waters.
- The program issues waste water discharge permits and, if necessary, takes enforcement action to ensure compliance with water quality standards, as well as monitoring the pollutant levels in rivers, streams, and other bodies of water.

Problem or Opportunity

- The Department is in need of changes to adequately fund the Clean Water Program.
- House Bill 16-1413 provided a one-time General Fund allocation of \$1,208,007 so the Department could maintain services while working with stakeholders on a proposal to adjust funding for the Clean Water Program.

Consequences of Problem

- If funding is not adjusted, the Department will be required to reduce FTE, which will reduce the Department's ability to provide timely services, and may result in less protection of public health and the environment such as recreational water and drinking water supplies.
- Stakeholders will experience a notable decrease in compliance assistance activities, project delays because of an increasing backlog in processing permit and design review applications, a decline in stakeholder outreach for regulation and policy development, and potential loss of public health and environmental protections because of fewer inspections of regulated facilities.

Proposed Solution

- If this request to adjust funding is approved, the Department will be able to maintain the current level of service provided in the Clean Water Program, meaning permits will be processed, inspections will be conducted, technical/compliance assistance will be provided, and stakeholder involvement throughout all parts of the program will be maintained, thereby continuing collaborative work practices and better protecting public health and the environment.



Department Priority: R-01
Request Detail: Clean Water Sectors Funding

Summary of Incremental Funding Change for FY 2017-18	Total Funds	General Fund	Cash Funds
Clean Water Sectors Line	\$1,208,007	\$495,611	\$712,396
Administration Line	\$0	-\$62,569	\$62,569
Total	\$1,208,007	\$433,042	\$774,965

Problem or Opportunity:

The Colorado Department of Public Health and Environment requests that the Joint Budget Committee sponsor legislation to adjust funding and provide commensurate fee increases for the Clean Water Program in its Water Quality Control Division. The Department seeks \$433,042 General Fund, \$774,965 Cash Fund, and net \$0 Federal Fund adjustments to spending authority in FY 2017-18 and on-going to maintain service levels for its stakeholders over the next five years. In the FY 2015-16 Long Bill, the Clean Water Program was divided into the following six sectors:

- Commerce and Industry
- Construction
- Municipal Separate Storm Sewer System (MS4)
- Pesticides
- Public and Private Utilities
- Water Quality Certification

The Department is in need of changes to adequately fund the Clean Water Program. House Bill 16-1405 (the Long Appropriations Bill) included a reduction in funding for the Clean Water Program. In addition, House Bill 16-1413 provided a one-time General Fund allocation of \$1,208,007 so the Department could maintain services while working with stakeholders on a proposal to adjust funding for the Clean Water Program. The one-time General Fund allocation was offset by funding from the Department’s Water Quality Improvement Fund to maintain services for the Commerce and Industry, MS4, and Public and Private Utilities sectors.

The Clean Water Program is established by statute in the Water Quality Control Act, and is delegated authority by the United States Environmental Protection Agency (EPA) to control pollution in state waters. If funding is not adjusted the Department will be required to reduce FTE. This will reduce the Department’s ability to provide timely services, and may result in less protection of public health and the environment such as recreational water and drinking water supplies. Stakeholders will experience a notable decrease in compliance assistance activities, project delays because of an increasing backlog in processing permit and design review applications, a decline in stakeholder outreach for regulation and policy

development, and potential loss of public health and environmental protections because of fewer inspections of regulated facilities.

One aspect of the Clean Water Program is the issuance of water quality permits and the collection of cash fees for these permits. Cash fees are set in statute and cannot be increased without a change in legislation. Over the last nine years, the Department has been unsuccessful in securing the required legislative changes necessary to cover the actual cost of fulfilling its statutory obligations. The last cash fee adjustment for the Department was in FY 2007-08. House Bill 07-1329 equalized cash fees and services and added 4.0 FTE to the program.

During the 2014 Legislative Session, the Joint Budget Committee (JBC) proposed Senate Bill 14-134 to modernize the program's outdated cash fee structure and to increase cash fees to sustain the program over a three-year period. The bill was postponed indefinitely with direction from the Legislature to establish a cash fee stakeholder process between the Department and the regulated community. The stakeholder process began in July 2014. After the introductory meetings, the Department worked with stakeholders and held individual meetings for distinct wastewater generating sectors to thoroughly address specific concerns within each area and to improve financial transparency. Six sector workgroups were formed: Commerce and Industry, Construction, MS4, Public and Private Utilities, Pesticides, and Water Quality Certification. Over a six month period, the Department held 34 meetings totaling 56 hours of formal dialogue between the Department and its stakeholders.

At the conclusion of the 2014 stakeholder process, the Department requested each participant to complete a sector specific survey to gain feedback on the overall stakeholder process, modernization of the cash fee structure, and implementation of a cash fee increase to sustain the program over the next three years. At the end of the process, there was no consensus among stakeholders to support a bill to increase cash fees during the 2015 Legislative Session. However, House Bill 15-1249 was proposed and adopted in place of a comprehensive cash fee increase. The legislation revised the existing cash fee structure to create five sectors: Commerce and Industry; Construction; Public and Private Utilities (includes MS4); Pesticides; and Water Quality Certification. Although the bill did not increase cash fees for any sector in FY 2015-16, new cash fees were created in FY 2016-17 for the Water Quality Certification, Pesticides, and Construction sectors. The bill did not increase cash fees for Commerce and Industry or Public and Private Utilities (includes MS4s).

In addition to the changes provided by House Bill 15-1249, the Clean Water section of the Long Bill was expanded to include separate line items for each of the sectors identified above (with the addition of a Municipal Separate Storm Sewer System sector). With this new expanded structure, the Department is able to collect and report both revenue and expenditure data for each sector. This improved financial transparency and assisted in determining the proper cash fees needed for each sector moving forward. By tracking specific expenditures by sector, cash fees can be adjusted proportionally within each sector to ensure that sufficient revenues are collected to cover its own specific costs. In this way, varying cash fee adjustments can be made to ensure that each sector is paying its "fair share" by generating enough cash revenue to cover its own costs, and eliminating the need for one sector to subsidize another. This has the ultimate effect of ensuring the program is able to carry out the legislative intent of the program as described in Section 25-8-102, C.R.S. and furthermore, ensuring that the State is able to meet the minimum requirements necessary to remain an EPA delegated water quality control program.

As part of the Department's FY 2016-17 budget request, the Division sought a \$1,208,007 General Fund appropriation in FY 2016-17, and a \$1,318,302 General Fund appropriation in FY 2017-18 to sustain the

program through FY 2017-18 when the Department intended to seek legislative change to increase fees for the Clean Water Program. For FY 2016-17, the Department's cash spending authority was reduced as part of House Bill 16-1405 (the Long Appropriations Bill) because cash revenue was not available to support the spending authority in previous budgets. In addition, the Joint Budget Committee proposed House Bill 16-1413 and this bill was adopted. House Bill 16-1413 separated the Municipal Separate Storm Sewer Sector from the Public and Private Utilities sector and created six separate cash funds for each of the clean water program sectors. In addition, House Bill 16-1413 implemented a one-time General Fund appropriation offset by \$1,208,007 from the Department's Water Quality Improvement Fund to maintain services for the Commerce and Industry, MS4, and Public and Private Utilities sectors. In addition, House Bill 16-1413 required that during the 2016 interim, the Department conduct a stakeholder process regarding the appropriate and necessary fees that each subcategory of each sector should pay to enable each sector to be adequately funded by fees collected from that sector. House Bill 16-1413 also directed the Department to submit a legislative proposal to the Joint Budget Committee by November 1, 2016 concerning its conclusions regarding changes to the fee structure.

The Department began the stakeholder process required by House Bill 16-1413 in May 2016, and concluded the effort in August 2016. The Department conducted three stakeholder meetings. The first meeting focused on an overview of the problem, a discussion of an initial set of Department recommendations, and starting scenario for discussion purposes that was focused on the General Fund to cash funds mix to fund the total costs associated with each Clean Water Sector. During the second meeting, the Department presented four scenarios with different General Fund to cash fund mixes for each Clean Water Sector and a resulting cash fee change for each Clean Water Sector. At the final meeting, the Department presented its proposal based on feedback from the first two meetings and online surveys. The Department conducted an additional online survey after the third meeting to seek feedback on the Department's proposal. The Department's proposed solution summarized in the following section takes into account feedback received as part of the stakeholder effort.

Proposed Solution:

The Colorado Department of Public Health and Environment's Water Quality Control Division seeks \$433,042 in General Fund and \$774,965 in Clean Water Sectors cash funding in FY 2017-18 and on-going to maintain funding for the Clean Water Program.

The department's proposed solution consists of the following elements:

- 1. Joint Budget Committee sponsored legislation.** The Department requests that the JBC sponsor legislation that maintains funding and provides commensurate fee increases for the Clean Water Program in FY 2017-18 and on-going.
- 2. Clean Water Sector cash fees remain in statute.** Alternatives to maintaining the cash fees in statute were explored in the 2014 stakeholder process. The stakeholders feel very strongly that cash fees should remain in statute.
- 3. Sector structures remain the same.** The existing Clean Water Sectors and their associated categories and subcategories do not require changes at this time.
- 4. Services remain the same, for now.** The Department's request would sustain existing services.

5. **Cash fee changes be based on a five-year forecast.** The Department recommends using the Consumer Price Index for the Denver-Boulder-Greeley metropolitan area to develop a five-year forecast, and that this forecast should be included in the proposed fee increases.
6. **Cash fee changes be based on developing a 10 percent fund balance for each Clean Water Sector over a five-year period.** The Department is allowed by statute to develop up to a 16.5 percent fund balance (or two month reserve) to allow for smooth transition between fiscal years. This reserve would ensure that fluctuations in revenue due to slow economic trends would not adversely affect continued activity and Department function on an ongoing basis. This applies especially to the construction and commerce and industry sectors which can experience dips in revenue and movement of business based on Colorado’s economic trends.
7. **Cash fee changes be based on General Fund/Cash Fund ratios specific to each sector.** Table 1 below summarizes the Department’s proposed General Fund to Cash Fund ratio for each Clean Water Sector.

Table 1 Department’s Proposed General Fund to Cash Fund Ratios		
Sector	General Fund	Cash Funds
Commerce and Industry	50%	50%
Construction	20%	80%
MS4	50%	50%
Pesticides	94%	6%
Public and Private Utilities	50%	50%
Water Quality Certification	5%	95%

The concept of developing sector specific General Fund to Cash Funds ratios for the Clean Water Sectors was presented by Joint Budget Committee staff as part of the FY2016-17 Staff Budget Briefing. The Department applied this concept as part of the stakeholder effort that led to the development of this proposal. At the first stakeholder meeting, the Department presented a starting scenario that was based on the Joint Budget Committee's FY 2016-17 Staff Budget Briefing. The General Fund to cash funds ratios included as part of the starting scenario were Commerce and Industry – 25/75, Construction - 25/75, MS4 – 75/25, Pesticides 50/50, Public and Private Utilities – 75/25, and Water Quality Certifications – 25/75. Based on stakeholder input, the Department explored other scenarios and examined their impact on the General Fund.

The scenarios explored by the Department were focused on the General Fund to Cash Funds ratios for the Commerce and Industry, MS4, and Public and Private Utilities sectors. For the Construction, Pesticides, and Water Quality Certification sectors the Department recommendation was based on the following ratio justifications:

- **Construction:** The recommended General Fund to Cash Fund ratio is 20 percent General Fund and 80 percent Cash Funds. As part of the Senate Bill 14-134 stakeholder process, the Construction sector worked with the Department to establish new fees that went into effect on July 1, 2016. The General Fund to Cash Funds ratio was set so that there would not be a fee increase for this sector. Based on recent cash revenue information and with the recommended

General Fund to Cash Funds ratio this sector's current cash fees are such that they should cover the five-year growth projection and develop a fund balance over a five-year period.

- **Pesticides:** The recommended General Fund to Cash Fund ratio is 94 percent General Fund and 6 percent Cash Funds. As part of the Senate Bill 14-134 stakeholder process, the Pesticides sector worked with the Department to establish new cash fees that went into effect on July 1, 2015. The Department understood at that time that the cash fees established for this sector would not cover the entire costs associated with this sector and understood that General Fund would be required to support the Division's efforts for this sector. The General Fund to Cash Funds ratio was set so there would be a cash fee increase of two percent for this sector which would allow for Development of a fund balance over a five-year period.
- **Water Quality Certification:** The recommended General Fund to Cash Fund ratio is five percent General Fund and 95 percent Cash Funds. As part of the Senate Bill 14-134 stakeholder process, the Water Quality Certification sector worked with the Department to establish new cash fees that went into effect on July 1, 2016. The Water Quality Certification sector has four tiers of cash fees. The Department recommends a two percent increase in cash fees for Tier 1 and Tier 2 in order to develop a fund balance. For Tiers 3 and 4, the Department receives fees to cover actual costs. The Department recommends a five percent General Fund to 95 percent Cash Fund ratio for this sector because this is a new cash revenue source for the Department and there is uncertainty about the amount of revenue that will be generated by this sector. The General Fund would also support start-up activities for this sector such as establishing a billing system and educating applicants about the required fees.

At the second meeting, the Department and the stakeholders explored four scenarios for the Commerce and Industry, MS4, and Public and Private Utilities sectors as summarized in Table 2. The four scenarios explored included:

- Scenario 1: Adjust Clean Water Program funding by replacing the \$1,208,007 with cash fees only.
- Scenario 2: Adjust Clean Water Program funding by replacing the \$1,208,007 with General Fund and cash funds to maintain the General Fund to cash funds ratios in HB16-1405.
- Scenario 3: Adjust Clean Water Program funding by replacing the \$1,208,007 with General Fund and cash funds to maintain a 50/50 General Fund to cash funds ratio.
- Scenario 4: Adjust Clean Water Program funding by replacing the \$1,208,007 with General Fund only. The fee change in scenario four accounts for five-year growth and developing a fund balance.

Sector	Scenario 1		Scenario 2		Scenario 3		Scenario 4	
	General Fund to Cash Fund Ratio	Fee Change	General Fund to Cash Fund Ratio	Fee Change	General Fund to Cash Fund Ratio	Fee Change	General Fund to Cash Fund Ratio	Fee Change
Commerce and Industry	46%/54%	74%	49%/51%	65%	50%/50%	61%	67%/33%	7%

¹ This information differs from the handouts provided in the second stakeholder meeting due to changes in the indirect, consumer price index, and fund balance assumptions made after the second meeting based on stakeholder feedback.

Sector	Scenario 1		Scenario 2		Scenario 3		Scenario 4	
	General Fund to Cash Fund Ratio	Fee Change	General Fund to Cash Fund Ratio	Fee Change	General Fund to Cash Fund Ratio	Fee Change	General Fund to Cash Fund Ratio	Fee Change
MS4	30%/70%	82%	44%/56%	46%	50%/50%	30%	59%/41%	6%
Public and Private Utilities	27%/73%	77%	60%/40%	-2%	50%/50%	22%	57%/43%	6%

As part of the stakeholder effort, consensus was not reached by sector representatives and the Department with the respect to the appropriate General Fund to Cash Funds ratio for each sector. Sector representatives had the opportunity to advocate for their preferred General Fund to Cash Funds ratio during the stakeholder effort, but were reluctant to do so. In addition, there was no consensus with respect to the scenarios summarized in Table 2. Consequently, the Department proposed the General Fund to Cash Funds ratio presented in Table 1 at the third stakeholder meeting. The Department recommends a 50/50 General Fund to Cash Fund ratio for the Commerce and Industry, MS4, and Public and Private Utilities sectors based on the following factors:

- The General Fund impact associated with Scenario 3 is less than Scenarios 2 and 4. Scenario 1 has the least impact on the General Fund but it received very little support from stakeholders. Although stakeholders and the Division did not reach consensus on a particular scenario, the majority of stakeholders were in favor of additional General Fund participation when addressing restoration of Clean Water Program funding.
- The Department considers the recommended ratios a baseline. If a sector works with the Department on developing new services in the future, the Department assumes those new services would be cash funded. As a result, the ratio of General Fund to Cash Funds for these three sectors may change in the future. For example, as part of House Bill 15-1249, the Construction sector worked with the Department on funding new services that are cash funded.
- Many activities required by the Clean Water Act and Water Quality Control Act performed by the Clean Water Program provide benefits to the state of Colorado beyond regulating the sector's permittees. Examples include responding to spills to state waters, developing water quality goals for streams and lakes, monitoring streams and lakes, developing plans to restore water quality for streams that do not meet water quality goals, and enforcement of regulations. The pollutants addressed by these activities are most closely tied to the Commerce Industry, MS4, and Public and Private Utilities sectors. For example, one of the Department's priorities for restoring water quality is focused on bacteria in urban waterways and this is tied to the MS4 sector. The Department is continuing to address nutrient management statewide and these efforts are tied to the Commerce and Industry, MS4, and Public and Private Utilities sectors.

8. The Department recommends cash fee increases for all Clean Water Sectors except the construction sector. The recommended cash fee increase for each sector as summarized in Table 3 below. These increases will require a statutory change. Appendix A provides a list of current cash fees and the proposed changes based on the fee increases shown in Table 3.

Clean Water Sector	Fee Increase	Cash Revenue Increase
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Commerce and Industry	61%	\$602,129
Construction	0%	\$0
MS4	30%	\$42,923
Pesticides	2%	\$0
Public and Private Utilities	22%	\$213
Water Quality Certification*	2*	\$437,996

*For Water Quality Certifications, the department recommends that Tier 1 and Tier 2 fees for water quality certifications be increased by 2% to build a fund balance for this sector over a five-year period. Tier 3 and Tier 4 fees are based on recovering actual costs.

As part of the online survey that was conducted after the third stakeholder meeting, the Colorado Association of Commerce and Industry (CACI) commented that the Department should recommend an amount of General Fund for the Commerce and Industry Sector that would be commensurate with a 30 percent fee increase versus a 61 percent increase. The Department calculated the General Fund to cash funds ratio that would address this comment. *A 30 percent increase, rather than the Department's proposed 61 percent increase would result in a 57 percent to 43 percent General Fund to cash funds ratio.* The Department's request for General Fund highlighted in item 8 is a 17.2 percent increase in the amount of General fund compared to the Fiscal Year 2016-17 budget. If the Department recommended the amount of General Fund required to address CACI's comment the General fund increase would be 22.7 percent or \$139,153. Therefore, the Department did not include CACI's recommendation as part of this request.

- 9. The Department recommends a July 1, 2017 effective date for fee increases.** An effective date beyond July 1, 2017 would result in the Department requesting additional general fund to maintain services until the fees are changed and is therefore not recommended.

Appendix B includes a summary of stakeholder feedback on the Department proposal. Feedback is neutral to positive. Appendices C through F provide additional information developed during the Department's outreach efforts during May through August 2016.

If this request is not approved, the Clean Water Program would not have sufficient funding to continue its current level of operations through FY 2017-18 and on-going. In order to stay within the Department's estimated revenue projections, an equivalent reduction of 9.4 FTE in the Clean Water Program would be required starting in FY 2017-18.

A reduction of 9.4 FTE would diminish the Department's ability to provide timely services and may result in less protection of public health and the environment. Stakeholders will experience a notable decrease in compliance assistance activities, project delays because of an increasing backlog in processing permit and design review applications, a decline in stakeholder outreach for regulation and policy development, and a potential loss of public health and environment protections because of few inspections of regulated facilities. The reductions that will be necessary if this request is not approved are summarized in Table 4.

Table 4 Activities that will be reduced if request not approved				
Activities Reduced	Commerce and Industry (\$ and FTE)	MS4 (\$ and FTE)	Public and Private Utilities (\$ and FTE)	Total (\$ and FTE)

Table 4 Activities that will be reduced if request not approved

Activities Reduced	Commerce and Industry (\$ and FTE)	MS4 (\$ and FTE)	Public and Private Utilities (\$ and FTE)	Total (\$ and FTE)
Compliance assistance and assurance: reduction in inspections, eliminate review of MS4 permit report, reduce inspection follow-up, eliminate compliance assistance, and reduce settlement negotiations	0.9 \$119,516	0.2 \$19,919	2.0 \$258,950	3.1 \$398,385
Timeliness of service: reduce permit actions, reduce engineering reviews, and reduce business technology services.	0.8 \$107,950	0.1 \$17,991	1.9 \$233,891	2.8 \$359,832
Regulation, policy, and permit development services: reduction in outreach associated with Total Maximum Daily Loads, eliminate sampling to support permit development, eliminate Water Quality Forum work group activities, and eliminate outreach and communication during permit development.	1.0 \$134,936	0.2 \$22,490	2.3 \$292,364	3.5 \$449,790
Total (\$ and FTE)	2.7 \$362,402	0.5 \$60,400	6.2 \$785,205	9.4 \$1,208,007

Anticipated Outcomes:

If this request to adjust funding is approved, the Department will be able to maintain the current level of service provided in the Clean Water Program. This means that permits will be processed, inspections will be conducted, technical/compliance assistance will be provided, and stakeholder involvement throughout all parts of the program will be maintained thereby continuing collaborative work practices and better protecting public health and the environment.

Assumptions and Calculations:

In developing the fee changes, there are five components considered in the calculations:

1. Water Quality Control Division’s Administration line in House Bill 16-1405.
2. Water Quality Control Division’s Clean Water Sectors line in House Bill 16-1405.
3. Replace funding provided in House Bill 16-1413.
4. Department POTS.
5. Department indirect.

Cash fee increases are summarized in Appendix G and were calculated using the following steps:

- While keeping the total by each sector the same, redistribute the General Fund, cash funds and federal funds for both House Bill 16-1405 and House Bill 16-1413 to match the General Fund/cash fund splits summarized in Table 1.
- Assumed \$329,941 General Fund and \$318,013 cash funds of the Water Quality Control Division’s Administration line in House Bill 16-1405 is related to the Clean Water Sectors and that the total of

these administration funds does not increase but are redistributed based on the General Fund to cash funds ratios.

- Assumed POTS at 22 percent of Sector and Administration personal services. Personal services is assumed at 99 percent of the sector program lines and 90 percent of the Administration program line related to the sectors.
- Assumed an indirect rate of 25.5 percent for both General Fund and cash fund expenses and 24.4 percent for federal fund expenses.
- Isolated the cash fund cost and then applied a five-year average growth factor and an additional two percent to develop a fund balance to get the total cash expenses.
- The total cash expenses were compared to the revenue for each sector fund and the difference was used to calculate the fee increase needed for each sector.
- The calculations for General Fund also includes a 25.5 percent indirect rate to be directly appropriated to the Department's Administration personal services line.
- The total cost for both General Fund and cash funds includes POTS and indirect but are not a part of this request. These costs will be requested through the Department's budget request outside of this decision item.

Appendix H summarizes the Department's request for the Water Quality Control Division's Administration and Clean Water Sectors lines. The differences between this year's long bill and the Department's request is summarized in this appendix and Table 5 below. To align the Water Quality Control Division's Administration line with the recommended funding splits for each sector, an incremental decrease in General Fund of \$62,569 and an increase in cash funds of \$62,569 is needed. This request does not affect the Administration total, but does impact the allocation of funding sources.

Table 5 Summary of Funding Request						
Sector	HB16-1405 Spending Authority		FY 2017-18 Request		Difference between FY 2016-17 and 2017-18	
	General Fund	Cash Funds	General Fund	Cash Funds	General Fund	Cash Funds
Administration Line	\$548,464	\$379,565	\$485,895	\$442,134	(\$62,569)	\$62,569
Commerce and Industry	\$687,209	\$725,873	\$869,437	\$869,438	\$182,228	\$143,565
Construction	\$335,081	\$1,007,180	\$260,203	\$1,056,306	(\$74,878)	\$49,126
MS4	\$62,468	\$80,545	\$103,026	\$103,025	\$40,558	\$22,480
Pesticides	\$0	\$17,600	\$95,543	\$5816	\$95,543	(\$11,784)
Public and Private Utilities	\$1,103,322	\$747,584	\$1,346,442	\$1,346,442	\$243,120	\$598,858
Water Quality Certifications	\$0	\$203,095	\$9,040	\$183,246	\$9,040	(\$19,849)
Total	\$2,736,544	\$3,231,442	\$3,169,586	\$4,006,407	\$433,042	\$774,965

Beginning with FY 2016-17, each sector has its own cash fund. It is assumed that each cash fund will have a zero balance at the end of FY 2016-17 because there is not sufficient revenue to cover the expenses. House Bill 16-1413 has provided one year of funding to cover the revenue shortfall. The requested year, FY 2017-18 assumes the revenue will be generated from the recommended fee increases along with a fund balance of 2 percent. The cash flow information is summarized in Appendix I.

Appendices:

Appendix A: Fee schedule

Appendix B: Stakeholder feedback on department proposed solution

Appendix C: Stakeholder process - overview

Appendix D: Online survey results and response to comments for Meetings 1 and 2

Appendix E: Sign in sheets

Appendix F: Correspondence

Appendix G: Cash fee increase summary

Appendix H: Funding request

Appendix I: Cash flow summary

Appendices

- A. Fee schedule
- B. Stakeholder feedback on department proposed solution
- C. Stakeholder process - overview
- D. Online survey results and response to comments for Meetings 1 and 2
- E. Sign in sheets
- F. Correspondence
- G. Cash fee increase summary
- H. Funding request
- I. Cash flow summary



Appendix A

Fee schedule



Appendix A: Recommended Cash Fee Schedule Changes

Facility Categories and Subcategories for the Commerce and Industry Sector

	<u>FY 2016-17 Fees</u>	<u>Proposed Annual Fee</u>
<u>I Sand and Gravel and placer mining</u>		
A Pit dewatering only	\$500	\$805
B Pit dewatering and/or wash-water discharge	\$570	\$918
C Mercury use with discharge impact	\$640	\$1,030
D Storm water discharge only	\$435	\$700
<u>II Coal mining</u>		
A Sedimentation ponds, surface runoff only	\$980	\$1,578
B Mine water, preparation plant discharge	\$1,320	\$2,125
<u>III Hardrock mining</u>		
A Mine dewatering from 0 up to 49,999 gallons per day	\$1,140	\$1,835
B Mine dewatering from 50,000 up to 999,999 gallons per day	\$2,150	\$3,462
C Mine dewatering from 1,000,000 gallons per day or over	\$3,280	\$5,281
D Mine dewatering and milling with no discharge	\$3,280	\$5,281
E Mine dewatering and milling with discharge	\$9,880	\$15,907
F No discharge	\$1,140	\$1,835
G Milling with discharge from 0 up to 49,999 gallons per day	\$3,350	\$5,394
H Milling with discharge from 50,000 gallons per day or greater	\$6,680	\$10,755
<u>IV Oil Shale</u>		
A Sedimentation ponds, surface runoff only	\$1,990	\$3,204
B Mine water from 0 up to 49,999 gallons per day	\$2,150	\$3,462
C Mine water from 50,000 up to 999,999 gallons per day	\$2,670	\$4,299
D Mine water from 1,000,000 gallons per day or over	\$2,600	\$4,186
E Mine water and process water discharge	\$9,880	\$15,907
F No discharge	\$1,830	\$2,946

Facility Categories and Subcategories for the Commerce and Industry Sector

	<u>FY 2016- 17 Fees</u>	<u>Proposed Annual Fee</u>
<u>V General permits</u>		
A Sand and gravel with process discharge and storm water	\$270	\$435
B Sand and gravel without process discharge - storm water only	\$75	\$121
C Placer mining	\$520	\$837
D Coal mining	\$780	\$1,256
E industrial - storm water only	\$185	\$298
F Active mineral mines less than ten acres - storm water only	\$125	\$201
G Active mineral mines - ten acres or larger - storm water only	\$375	\$604
H Inactive mineral mines - storm water only	\$75	\$121
I Department of transportation - sand and gravel storm water permit	\$4,360	\$7,020
J Coal degasification - process water from 0 up to 49,999 gallons per day	\$2,150	\$3,462
K Coal degasification - process water from 50,000 up to 99,999 gallons per day	\$3,280	\$5,281
L Coal degasification - process water more than 100,000 gallons per day	\$9,880	\$15,907
<u>VI Power plants</u>		
A Cooling water only, no discharge	\$1,140	\$1,835
B Process water from 0 up to 49,999 gallons per day	\$2,150	\$3,462
C Process water from 50,000 up to 999,999 gallons per day	\$3,280	\$5,281
D Process water from 1,000,000 up to 4,999,999 gallons per day	\$9,880	\$15,907
E Process water from 5,000,000 gallons per day or over	\$9,880	\$15,907
<u>VII Sugar processing</u>		
A Cooling water only, no discharge	\$1,210	\$1,948
B Process water from 0 up to 49,999 gallons per day	\$1,480	\$2,383
C Process water from 50,000 up to 999,999 gallons per day	\$3,700	\$5,957
D Process water from 1,000,000 up to 4,999,999 gallons per day	\$9,880	\$15,907
E Process water from 5,000,000 gallons per day or over	\$9,880	\$15,907
<u>VIII Petroleum refining</u>		
A Cooling water only, no discharge	\$1,140	\$1,835
B Process water from 0 up to 49,999 gallons per day	\$2,560	\$4,122
C Process water from 50,000 up to 999,999 gallons per day	\$3,285	\$5,289
D Process water from 1,000,000 up to 4,999,999 gallons per day	\$9,880	\$15,907
E Process water from 5,000,000 gallons per day or over	\$9,880	\$15,907
<u>IX Fish hatcheries</u>		
	\$820	\$1,320

Facility Categories and Subcategories for the Commerce and Industry Sector

	<u>FY 2016- 17 Fees</u>	Proposed Annual Fee
X <u>Manufacturing and other industry</u>		
A Cooling water only	\$1,140	\$1,835
B Process water from 0 up to 49,999 gallons per day	\$2,150	\$3,462
C Process water from 50,000 up to 999,999 gallons per day	\$3,280	\$5,281
D Process water from 1,000,000 up to 4,999,999 gallons per day	\$9,880	\$15,907
E Process water from 5,000,000 up to 19,999,999 gallons per day	\$12,140	\$19,545
F Process water 20,000,000 gallons per day or over	\$19,760	\$31,814
G No discharge	\$1,480	\$2,383
H Amusement and recreation services	\$1,480	\$2,383
 XI <u>Individual Industrial Storm-Water Permits</u>		
A Individual industrial - less than ten acres	\$295	\$475
B Individual industrial - ten acres or more	\$375	\$604
C Individual industrial - storm water only - international airports	\$6,220	\$10,014
 XII <u>Minimal discharge of industrial or commercial wastewaters- general permit</u>		
	\$630	\$1,014
 XIII <u>Preliminary effluent limitations for individual permits</u>		
A Less than 100,000 gallons per day	\$2,100	\$2,562
B 100,000 to 999,999 gallons per day	\$4,200	\$5,124
C 1,000,000 to 9,999,999 gallons per day	\$6,300	\$7,686
D 10,000,000 or more gallons per day	\$8,400	\$10,248
 XIV <u>Preliminary effluent limitations for general permits</u>		
From 0 up to 1,000,000 gallons per day	\$1,050	\$1,281
 Note: This group includes preliminary effluent limitations for minor domestic facilities that discharge to: Unclassified waters; class 2 (aquatic life) streams with a zero low flow; or class 2 (aquatic life) streams with a low flow greater than zero.		
 XV <u>Preliminary effluent limitations for discharges to groundwater</u>		
A Minor Facilities (less than 1,000,000 gallons per day)	\$525	\$641
B Major Facilities (at least 1,000,000 gallons per day)	\$840	\$1,025
 XVI <u>Review of preliminary effluent limitations for individual permits (professionally prepared by others)</u>		
A Minor Facilities (less than 1,000,000 gallons per day)	\$1,575	\$1,922

Facility Categories and Subcategories for the Commerce and Industry Sector

	<u>FY 2016- 17 Fees</u>	<u>Proposed Annual Fee</u>
B Major Facilities (at least 1,000,000 gallons per day)	\$3,150	\$3,843

Facility Categories and Subcategories for the Construction Sector

	<u>FY 2016-17 Fees</u>	Proposed Annual Fee
<u>I General permits</u>		
Department of transportation - storm water construction discharges from projects for which the department of transportation is the permittee - statewide permit	\$9,400	\$9,588
<u>II Preliminary effluent limitations for individual permits</u>		
A Less than 100,000 gallons per day	\$2,100	\$2,562
B 100,000 to 999,999 gallons per day	\$4,200	\$5,124
C 1,000,000 to 9,999,999 gallons per day	\$6,300	\$7,686
D 10,000,000 or more gallons per day	\$8,400	\$10,248
<u>III Preliminary effluent limitations for general permits</u>		
From 0 up to 1,000,000 gallons per day	\$1,050	\$1,281
<p>Note: This group includes preliminary effluent limitations for minor domestic facilities that discharge to: Unclassified waters; class 2 (aquatic life) streams with a zero low flow; or class 2 (aquatic life) streams with a low flow greater than zero.</p>		
<u>IV Preliminary effluent limitations for discharges to groundwater</u>		
A Minor Facilities (less than 1,000,000 gallons per day)	\$525	\$641
B Major Facilities (at least 1,000,000 gallons per day)	\$840	\$1,025
<u>V Review of preliminary effluent limitations for individual permits (professionally prepared by others)</u>		
A Minor Facilities (less than 1,000,000 gallons per day)	\$1,575	\$1,922
B Major Facilities (at least 1,000,000 gallons per day)	\$3,150	\$3,843
VII-A Low complexity	\$820	\$836
VII-B High Complexity	\$2,000	\$2,040
VII-C Construction - storm water only; less than 1 acre of disturbed area	\$165	\$168
VII-D Construction - storm water only; from 1 acre to less than 30 acres	\$350	\$357
VII-E Construction - storm water only; 30 acres or more of disturbed area	\$540	\$551
VII-F Individual permit for construction activity	\$4,400	\$4,488

Facility Categories and Subcategories for the Municipal Separate Storm Sewer System Sector

	<u>FY 2016-17 Fees</u>	<u>Proposed Annual Fee</u>
<u>I General permits</u>		
A Storm water municipal greater than 100,000 population	\$4,050	\$5,265
B Storm water municipal from 50,000 up to 100,000 population	\$2,020	\$2,626
C Storm water municipal from 10,000 up to 49,999 population	\$810	\$1,053
D Storm water municipal less than 10,000 population	\$355	\$462
<u>II Municipal storm water permits</u>		
A Municipalities of 250,000 and over in population	\$10,580	\$13,754
B Municipalities of 100,000 or more, but less than 250,000 in population	\$6,225	\$8,093
C Municipalities of 50,000 or more, but less than 100,000 in population	\$3,110	\$4,043
D Municipalities of 10,000 or more, but less than 50,000 in population	\$1,245	\$1,619
E Statewide permit for department of transportation-owned or -operated municipal separate storm water systems in municipal areas where storm water permits are required	\$4,360	\$5,668

Facility Categories and Subcategories for the Pesticides Sector

	<u>FY 2016- 17 Fees</u>	Proposed Annual Fee
I Annual report	\$275	\$281

Facility Categories and Subcategories for the Public and Private Utilities Sector

	<u>FY 2016- 17 Fees</u>	Proposed Annual Fee
<u>I Water treatment plants</u>		
A Intermittent discharge	\$570	\$695
B Routing discharge	\$820	\$1,000
<u>II General permits</u>		
A Water treatment plant - intermittent discharge	\$475	\$580
B Water treatment plants - routine discharge	\$715	\$872
C Discharges associated with treated water distribution systems less than or equal to 3,300 population	\$105	\$128
D Discharges associated with treated water distribution systems from 3,301 up to 9,999 population	\$210	\$256
E Discharges associated with treated water distribution systems greater than or equal to 10,000 population	\$315	\$384
<u>III Domestic wastewater - lagoons</u>		
A Sewage from 0 up to 49,999 gallons per day	\$525	\$641
B Sewage from 50,000 up to 99,999 gallons per day	\$845	\$1,031
C Sewage from 100,000 up to 499,999 gallons per day	\$1,230	\$1,501
D Sewage from 500,000 up to 999,999 gallons per day	\$2,120	\$2,586
E Sewage from 1,000,000 up to 1,999,999 gallons per day	\$3,170	\$3,867
F Sewage 2,000,000 gallons per day or over	\$6,460	\$7,881
<u>IV Domestic wastewater - mechanical plants</u>		
A Sewage from 0 up to 19,999 gallons per day	\$615	\$750
B Sewage from 20,000 up to 49,999 gallons per day	\$980	\$1,196
C Sewage from 50,000 up to 99,999 gallons per day	\$1,440	\$1,757
D Sewage from 100,000 up to 499,999 gallons per day	\$2,240	\$2,733
E Sewage from 500,000 up to 999,999 gallons per day	\$3,720	\$4,538
F Sewage from 1,000,000 up to 2,499,999 gallons per day	\$6,090	\$7,430
G Sewage from 2,500,000 up to 9,999,999 gallons per day	\$11,410	\$13,920
H Sewage from 10,000,000 up to 49,999,999 gallons per day	\$19,780	\$24,132
I Sewage from 50,000,000 up to 99,999,999 gallons per day	\$22,820	\$27,840
J Sewage from 100,000,000 gallons per day or over	\$25,100	\$30,622
<u>V Domestic facilities discharge to unclassified waters - general permit</u>		
A Sewage from 0 up to 49,999 gallons per day	\$455	\$555
B Sewage from 50,000 up to 199,999 gallons per day	\$800	\$976
C Sewage from 200,000 up to 599,999 gallons per day	\$1,170	\$1,427

Facility Categories and Subcategories for the Public and Private Utilities Sector

	<u>FY 2016- 17 Fees</u>	<u>Proposed Annual Fee</u>
D Sewage from 600,000 up to 999,999 gallons per day	\$1,860	\$2,269

Facility Categories and Subcategories for the Public and Private Utilities Sector

	<u>FY 2016- 17 Fees</u>	Proposed Annual Fee
<u>VI Industrial dischargers subject to categorical effluent standards discharging to publicly owned treatment works with pretreatment programs (not including categorical industries subject to zero discharge standards)</u>		
A 100 to 9,999 gallons per day	\$699	\$853
B 10,000 to 50,000 gallons per day	\$1,047	\$1,277
C Greater than 50,000 gallons per day	\$1,397	\$1,704
D Very low flow - less than 100 gallons per day	\$292	\$356
<u>VII All other significant industrial dischargers discharging to publicly owned treatment programs (including categorical industries subject to zero discharge standards)</u>		
A Less than 10,000 gallons per day	\$175	\$214
B 10,000 to 50,000 gallons per day	\$349	\$426
C Greater than 50,000 gallons per day	\$465	\$567
D Pit dewatering only (Remove per Rick Koplitz-does not pertain to	\$270	\$329
<u>VIII Industrial dischargers subject to categorical effluent standards discharging to publicly owned treatment works without pretreatment programs (not including categorical industries subject to zero discharge standards)</u>		
A Less than 10,000 gallons per day	\$815	\$994
B 10,000 to 50,000 gallons per day	\$1,280	\$1,562
C Greater than 50,000 gallons per day	\$1,746	\$2,130
<u>IX All other significant industrial dischargers discharging to publicly owned treatment works without pretreatment programs (including categorical industries subject to zero discharge standards)</u>		
A Less than 10,000 gallons per day	\$349	\$426
B 10,000 to 50,000 gallons per day	\$524	\$639
C Greater than 50,000 gallons per day	\$699	\$853
<u>X Domestic wastewater - lagoons</u>		
A Sewage from 0 up to 49,999 gallons per day	\$75	\$92
B Sewage from 50,000 up to 99,999 gallons per day	\$75	\$92
C Sewage from 100,000 up to 499,999 gallons per day	\$75	\$92
D Sewage from 500,000 up to 999,999 gallons per day	\$75	\$92
E Sewage from 1,000,000 up to 2,499,999 gallons per day	\$81	\$99
F Sewage from 2,500,000 gallons per day	\$94	\$115

Facility Categories and Subcategories for the Public and Private Utilities Sector

	<u>FY 2016- 17 Fees</u>	<u>Proposed Annual Fee</u>
XI <u>Domestic wastewater - mechanical plants</u>		
A Sewage from 0 up to 19,999 gallons per day	\$75	\$92
B Sewage from 20,000 up to 49,999 gallons per day	\$75	\$92
C Sewage from 50,000 up to 99,999 gallons per day	\$75	\$92
D Sewage from 100,000 up to 499,999 gallons per day	\$75	\$92
E Sewage from 500,000 up to 999,999 gallons per day	\$75	\$92
F Sewage from 1,000,000 up to 2,499,999 gallons per day	\$81	\$99
G Sewage from 2,500,000 up to 9,999,999 gallons per day	\$94	\$115
H Sewage from 10,000,000 up to 49,999,999 gallons per day	\$105	\$128
I Sewage from 50,000,000 up to 99,999,999 gallons per day	\$117	\$143
J Sewage from 100,000,000 gallons per day	\$128	\$156
XII <u>Preliminary effluent limitations for individual permits</u>		
A Less than 100,000 gallons per day	\$2,100	\$2,562
B 100,000 to 999,999 gallons per day	\$4,200	\$5,124
C 1,000,000 to 9,999,999 gallons per day	\$6,300	\$7,686
D 10,000,000 or more gallons per day	\$8,400	\$10,248
XIII <u>Preliminary effluent limitations for general permits</u>		
From 0 up to 1,000,000 gallons per day	\$1,050	\$1,281
<p>Note: This group includes preliminary effluent limitations for minor domestic facilities that discharge to: Unclassified waters; class 2 (aquatic life) streams with a zero low flow; or class 2 (aquatic life) streams with a low flow greater than zero.</p>		
XIV <u>Preliminary effluent limitations for discharges to groundwater</u>		
A Minor Facilities (less than 1,000,000 gallons per day)	\$525	\$641
B Major Facilities (at least 1,000,000 gallons per day)	\$840	\$1,025
XV <u>Review of preliminary effluent limitations for individual permits (professionally prepared by others)</u>		
A Minor Facilities (less than 1,000,000 gallons per day)	\$1,575	\$1,922
B Major Facilities (at least 1,000,000 gallons per day)	\$3,150	\$3,843
XVI <u>Wastewater site applications</u>		
A Wastewater treatment plants (less than 100,000 gallons per day)		
	new	\$7,738
	expansion	\$6,191
		\$9,440
		\$7,553

Facility Categories and Subcategories for the Public and Private Utilities Sector

		<u>FY 2016- 17 Fees</u>	<u>Proposed Annual Fee</u>
B Wastewater treatment plants (100,000 gallons to 999,999 gallons per day)			
	new	\$15,477	\$18,882
	expansion	\$12,381	\$15,105
C Wastewater treatment plants (1,000,000 gallons to 9,999,999 gallons per day)			
	new	\$23,215	\$28,322
	expansion	\$18,572	\$22,658
D Wastewater treatment plants (10,000,000 gallons per day or more)			
	new	\$30,953	\$37,763
	expansion	\$24,763	\$30,211
E Lift stations (less than 100,000 gallons per day)			
	new	\$1,935	\$2,361
	expansion	\$1,548	\$1,889
F Lift stations (100,000 gallons to 999,999 gallons per day)			
	new	\$3,869	\$4,720
	expansion	\$3,095	\$3,776
G Lift stations (1,000,000 gallons to 9,999,999 gallons per day)			
	new	\$5,804	\$7,081
	expansion	\$4,643	\$5,664
H Lift stations (10,000,000 gallons per day or more)			
	new	\$7,738	\$9,440
	expansion	\$6,191	\$7,553
I Amendments to site applications concerning a charge from gas chlorination to liquid chlorination or from any form of chlorination to ultraviolet light disinfection (less than 100,000 gallons per day)		\$451	\$550
J Amendments to site applications concerning a charge from gas chlorination to liquid chlorination or from any form of chlorination to ultraviolet light disinfection (100,000 gallons to 999,999 gallons per day)		\$903	\$1,102
K Amendments to site applications concerning a charge from gas chlorination to liquid chlorination or from any form of chlorination to ultraviolet light disinfection (1,000,000 gallons to 9,999,999 gallons per day)		\$1,354	\$1,652
L Amendments to site applications concerning a charge from gas chlorination to liquid chlorination or from any form of chlorination to ultraviolet light disinfection (10,000,000 gallons per day or more)		\$1,806	\$2,203
M Other amendments to site applications (less than 100,000 gallons per day)		\$645	\$787

Facility Categories and Subcategories for the Public and Private Utilities Sector

		<u>FY 2016- 17 Fees</u>	<u>Proposed Annual Fee</u>
N Other amendments to site applications (100,000 gallons to 999,999 gallons per day)		\$1,290	\$1,574
O Other amendments to site applications (1,000,000 gallons to 9,999,999 gallons per day)		\$1,935	\$2,361
P Other amendments to site applications (10,000,000 gallons per day or more)		\$2,579	\$3,146
Q Individual sewage disposal systems		\$4,500	\$5,490
R Extension		\$650	\$793
S Interceptors site applications		\$1,300	\$1,586
T Interceptor certifications		\$300	\$366
U Outfall sewers		\$1,300	\$1,586
 XVII <u>Wastewater design review</u>			
A Wastewater treatment plants (less than 100,000 gallons per day)			
	new	\$4,900	\$5,978
	expansion	\$3,900	\$4,758
B Wastewater treatment plants (100,000 gallons to 999,999 gallons per day)			
	new	\$9,900	\$12,078
	expansion	\$7,900	\$9,638
C Wastewater treatment plants (1,000,000 gallons to 9,999,999 gallons per day)			
	new	\$14,800	\$18,056
	expansion	\$11,800	\$14,396
D Wastewater treatment plants (10,000,000 gallons per day or more)			
	new	\$19,700	\$24,034
	expansion	\$15,800	\$19,276
E Lift stations (less than 100,000 gallons per day)			
	new	\$1,200	\$1,464
	expansion	\$1,000	\$1,220
F Lift stations (100,000 gallons to 999,999 gallons per day)			
	new	\$2,500	\$3,050
	expansion	\$2,000	\$2,440
G Lift stations (1,000,000 gallons to 9,999,999 gallons per day)			
	new	\$3,700	\$4,514
	expansion	\$3,000	\$3,660

Facility Categories and Subcategories for the Public and Private Utilities Sector

	<u>FY 2016- 17 Fees</u>	Proposed Annual Fee
H Lift stations (10,000,000 gallons per day or more)		
	new	\$4,900
	expansion	\$3,900
I Amendments to site applications concerning a charge from gas chlorination to liquid chlorination or from any form of chlorination to ultraviolet light disinfection (less than 100,000 gallons per day)	\$500	\$610
J Amendments to site applications concerning a charge from gas chlorination to liquid chlorination or from any form of chlorination to ultraviolet light disinfection (100,000 gallons to 999,999 gallons per day)	\$1,000	\$1,220
K Amendments to site applications concerning a charge from gas chlorination to liquid chlorination or from any form of chlorination to ultraviolet light disinfection (1,000,000 gallons to 9,999,999 gallons per day)	\$1,500	\$1,830
L Amendments to site applications concerning a charge from gas chlorination to liquid chlorination or from any form of chlorination to ultraviolet light disinfection (10,000,000 gallons per day or more)	\$2,000	\$2,440
M Other amendments to site applications (less than 100,000 gallons per day)	\$700	\$854
N Other amendments to site applications (100,000 gallons to 999,999 gallons per day)	\$1,400	\$1,708
O Other amendments to site applications (1,000,000 gallons to 9,999,999 gallons per day)	\$2,100	\$2,562
P Other amendments to site applications (10,000,000 gallons per day or more)	\$2,800	\$3,416
Q Individual sewage disposal systems	\$3,000	\$3,660
R Interceptors site applications	\$1,400	\$1,708
S Outfall sewers	\$1,400	\$1,708
<u>XVIII Wastewater reuse authorizations</u>		
A Facility capacity (less than 100,000 gallons per day)	\$450	\$549
B Facility capacity (100,000 gallons to 499,999 gallons per day)	\$840	\$1,025
C Facility capacity (500,000 gallons to 999,999 gallons per day)	\$1,400	\$1,708
D Facility capacity (1,000,000 gallons to 2,499,999 gallons per day)	\$2,300	\$2,806
E Facility capacity (2,500,000 gallons to 9,999,999 gallons per day)	\$4,300	\$5,246
F Facility capacity (10,000,000 gallons per day or more)	\$6,300	\$7,686

Facility Categories and Subcategories for the Water Quality Certification Sector

	<u>FY 2016- 17 Fees</u>	<u>Proposed Annual Fee</u>
I Tier 1 Projects	\$1,100	\$1,122
II Tier 2 Projects	\$3,800	\$3,876
	Fee for	Fee for
	service -	service -
III Tier 3 Projects	actual cost	actual cost
	Fee for	Fee for
	service -	service -
IV Tier 4 Projects	actual cost	actual cost

Appendix B

Stakeholder feedback on department proposed solution





Feedback Summary

We created a survey to get feedback on the department's proposal regarding clean water program fees. The proposal was presented at meeting three on August 4, 2016.

Each component of the department proposal was listed with a scale to rank preference (1 = least favorable, 3=neutral, 5 = most favorable). We provided a comment box at the end of the survey for respondents to give specific feedback on any or all of the proposal. A summary of all responses including all specific comments are included in this appendix.

The survey was shared with the email distribution list for this group, a total of 353 parties. The survey was open for two weeks. We received 31 survey responses.

Who responded (by sector)*?

Public & Private Utilities— 45%
MS4— 35%
Construction— 26%
WQ Certifications— 16%
Commerce & Industry— 13%
Pesticides— 13%
Other— 7%
Trade organization— 3%

* Percentages are more than 100 percent because respondents were able to select more than one sector when selecting who they represent.

What did we ask?

- Fees should remain in statute.
- Fee structure should remain the same.
- Services should remain the same (for now).
- Fee change should be based on a five-year forecast.
- Fee changes should include developing a five-week 10 percent reserve.
- Fees changes should be based on 50/50 ratio (see sidebar).
- Proposed fee increases in percentage terms (see sidebar).
- Effective date = July 1, 2017.
- Fees will not be phased.

What did we learn?

Responses ranged from neutral to positive for all responses.

- Respondents felt very strongly that fees should remain in statute with the structure and services to remain unchanged (for now).
- Respondents agreed with or were neutral (88%) with the concept of using the greater Denver metro area consumer price index as a five year forecast for future fee changes.
- 81 percent of respondents were neutral to positive for developing a five-week reserve or 10 percent fund balance.
- 90 percent of respondents were neutral to positive regarding no phasing for fee changes. 84 percent were neutral to positive for a July 1, 2017 effective date.
- Summary of feedback on ratios and corresponding fee changes in sidebar (on right).

Ratios—50/50

50/50 General Fund/Cash Fund Ratio

The department is proposing a 50/50 General Fund/cash fund ratio for three sectors—Commerce & Industry, MS4, and Public & Private Utilities. Construction—20/80; Pesticides 4/96; Water Quality Certifications 5/95.

We asked how favorably a respondent viewed this particular ratio split.

What did they say?

91 % view this as neutral or positive.

36 percent were neutral.
39 percent were somewhat in favor.
16 percent viewed this is most favorable.

Did it vary by sector?

No. We asked survey respondents to identify the sector they represented for their survey choices. We wanted to understand if one sector preferred one component more than another. Results between sectors had only small differences.

Fee Changes

Fee changes per sector

Based on the department's proposal for General Fund/cash fund ratios, the corresponding fee changes would be:

Commerce & Industry— 61%
Construction—0%
MS4—30%
Pesticides—2%
Public & Private Utilities—22%
Water Quality Certifications (Tier 1 and 2) - 2%.

We asked how favorably a respondent viewed this particular ratio split. The response was neutral to positive.

What did they say?

75 % view this as neutral or positive.

26 percent were neutral.
39 percent were somewhat in favor.
10 percent viewed this is most favorable.

Did it vary by sector?

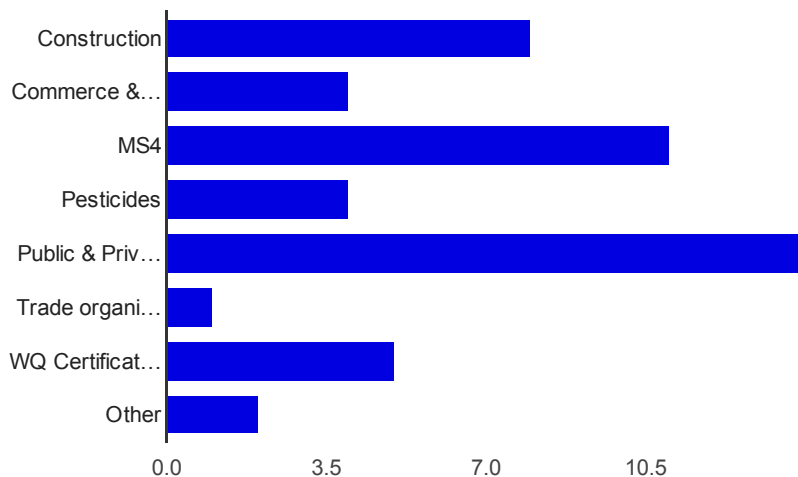
No. We asked survey respondents to identify the sector they represented for their survey choices. We wanted to understand if one sector preferred one component more than another. Results between sectors had only small differences.

31 responses

[View all responses](#)

Summary

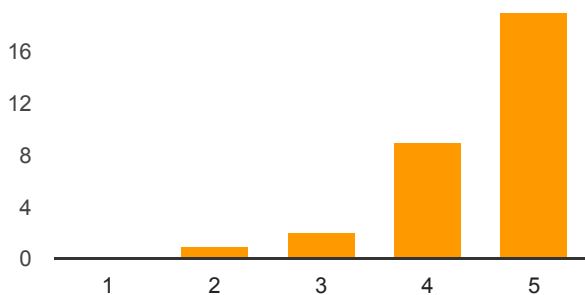
What sector do you represent (check all that apply)?



Construction	8	25.8%
Commerce & Industry	4	12.9%
MS4	11	35.5%
Pesticides	4	12.9%
Public & Private Utilities	14	45.2%
Trade organization	1	3.2%
WQ Certifications (401)	5	16.1%
Other	2	6.5%

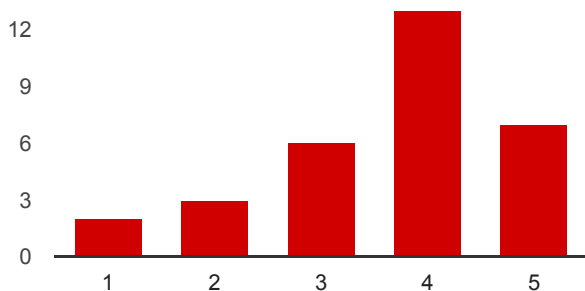
Department proposal.

1 - Fees should remain in statute. Please rate how favorably you view this part of the proposal.



most favorable: 5 **19** 61.3%

2 - Fee structure should remain the same. Existing sectors (Commerce and Industry, Construction, Municipal Separate Storm Sewer Systems (MS4), Pesticides, Public and Private Utilities and Water Quality Certifications) and associated categories do not require changes. Please rate how favorably you view this part of the proposal.



least favorable: 1 **2** 6.5%

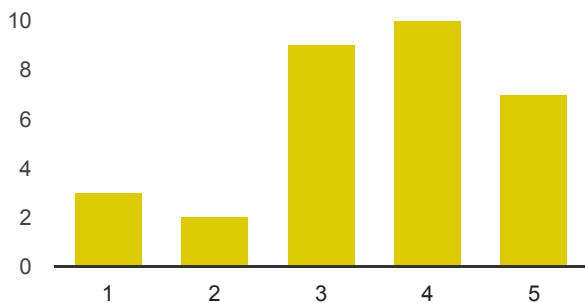
2 **3** 9.7%

3 **6** 19.4%

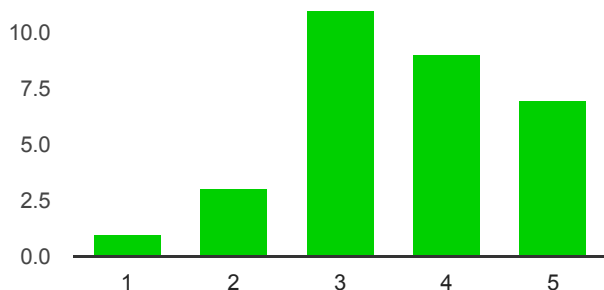
4 **13** 41.9%

most favorable: 5 **7** 22.6%

3 - Services should remain the same, for now. The legislative fix that is required at this time would maintain existing level of services. Please rate how favorably you view this part of the proposal.

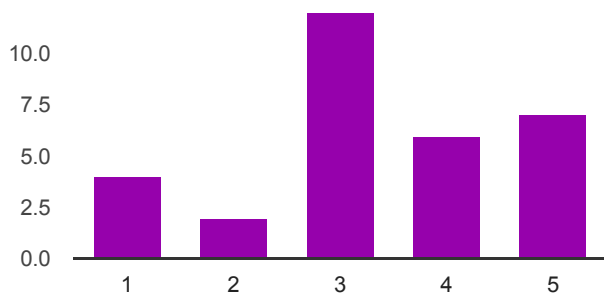


4 - Fee changes should be based on a five-year forecast using the consumer price index for the greater Denver metro area (2.3%). Please rate how favorably you view this part of the proposal.



least favorable: 1	1	3.2%
	3	9.7%
	11	35.5%
	9	29%
most favorable: 5	7	22.6%

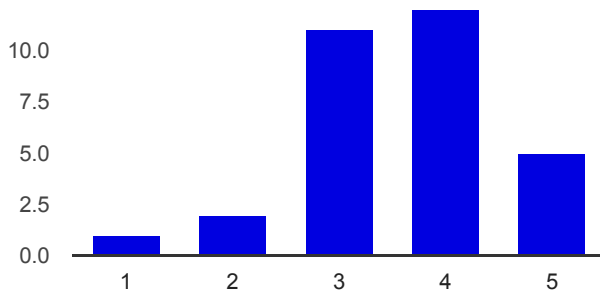
5 - Fee changes should be based on developing a five-week reserve or 10% fund balance by sector over a five year period. Please rate how favorably you view this part of the proposal.



least favorable: 1	4	12.9%
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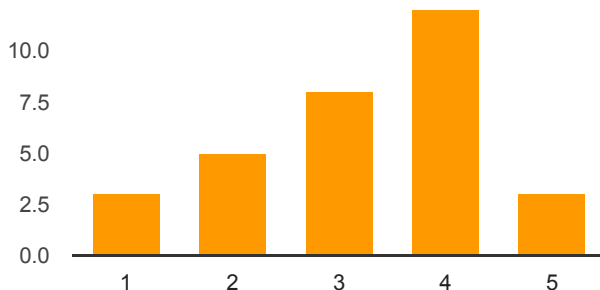
	2	2	6.5%
	3	12	38.7%
	4	6	19.4%
most favorable:	5	7	22.6%

6 - Fees changes should be based on General Fund/cash fund ratios specific to each sector. A 50/50 percent General Fund/cash fund ratio is proposed for the following sectors: Commerce & Industry, MS4, and Public & Private Utilities. The following is the proposed General Fund/cash fund ratio for Construction – 20/80 percent; Pesticides - 94/6 percent; and Water Quality Certifications 5/95 percent. The department recommends these ratios be described in the legislative intent of the bill as a statutory legislative declaration (meaning it stays with the statute once passed). Fee changes would apply across the entire sector for all categories and subcategories within a given sector. Please rate how favorably you view this part of the proposal.



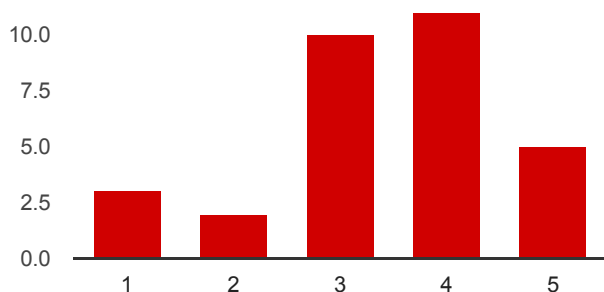
least favorable:	1	1	3.2%
	2	2	6.5%
	3	11	35.5%
	4	12	38.7%
most favorable:	5	5	16.1%

7 - Proposed fee increases are: Commerce and Industry - 61%; Construction - 0%; MS4 - 30%; Pesticides - 2%; Public and Private Utilities - 22%; Water Quality Certifications (Tier 1 and Tier 2) - 2%.



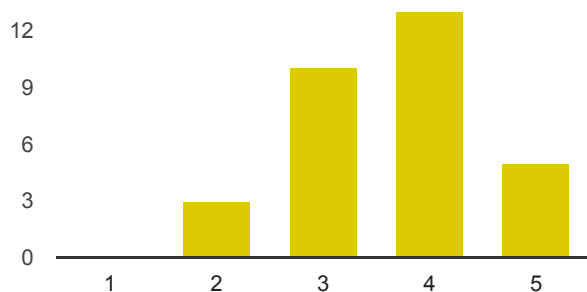
least favorable: 1 **3** 9.7%
 2 **5** 16.1%
 3 **8** 25.8%
 4 **12** 38.7%
 most favorable: 5 **3** 9.7%

8 - To align with the state fiscal year, and considering General Fund impact, the department is proposing July 1, 2017 for the effective date of fee increases. Please rate how favorably you view this part of the proposal.



least favorable: 1 **3** 9.7%
 2 **2** 6.5%
 3 **10** 32.3%
 4 **11** 35.5%
 most favorable: 5 **5** 16.1%

9 - Based on General Fund impact, we are not proposing to phase fee increases. Please rate how favorably you view this part of the proposal.



least favorable: 1 **0** 0%
 2 **3** 9.7%
 3 **10** 32.3%
 4 **13** 41.9%

most favorable: 5 **5** 16.1%

Please provide your comments on the department's proposal.

Difficult for utilities who have already prepared their 2017-2018 budgets.

I like funding most categories 50/50 GF/CF but cannot understand why the pesticide category would not pay a similar share and oppose funding that category at 94% GF. Perhaps the bill should include a provision for the WQCD to analyze how the permitting processes could be more efficient to see if there are opportunities for reducing costs and have the savings put into services that would be valued by the permittees by category.

My concern is that the fee structure is really not supporting the Division with respect to the water quality/clean water program. It represents the bare minimum to do the job when, in my view, the issue of water and water quality in Colorado should be one of the highest priorities, and water is part of the icon of Colorado beauty and attraction. I wish the legislature was not so short sighted in its funding priorities.

We still don't like fee increases. Using at 2.3% increase on Denver, doesn't represent state wide financial scenario. We are still in a recession with decreased revenues and sales tax. Our property tax and sales tax revenue is still decreasing. It would be more representative to use a state wide average. We do appreciate the general fund continued contribution.

The balancing mechanics are fine as is, but the entire proposal is flawed because it reduces the GF contribution by \$1.2 million before any adjustments are made. In order for the plan to be supported, the state must not reduce its support for its own division which is responsible for the general health, safety, and welfare of ALL Coloradans - not just those that pay permit fees.

We believe the proposal is an equitable way to resolve the department's financial issues as well as longstanding sector inequities that have gotten us to this point. We are concerned, however, that a sector might try to reduce its fee increase by lobbying for a larger General Fund contribution to its sector. If this was to occur, the inequities between the sectors would continue. If phasing fee increases over several years would prevent such an occurrence, then we would support a phased approach. In addition, we would like to state for the record that the current level of service, in our experience, is inadequate to effectively run the WQCD. We accept that this must continue while the financial issues are resolved, but given that water issues will continue to be front and center in Colorado's future planning, we highly recommend that the financial support for the department be such that services are increased, resulting in a more collaborative relationship between regulators and the regulated community and improved decision-making by the WQCD.

The survey structure allows more than one participant to comment more than once, thus creating a question of validity of the survey process. The Division should have taken steps to ensure that only one survey card was being submitted by each entity or commenter. Maybe the addition of a name would rectify this problem. The ratio question #6 should be more clear to ensure that the ratio is not a statutory requirement for the disbursement of funds.

Question 2: As Aurora Water has stated in previous surveys, refinement of fees within sectors is recommended, e.g. efforts to correct the disparity in MS4 permits (difference between fees for Phase I and Phase II permits). Question 6: The concern here is similar to that stated above.

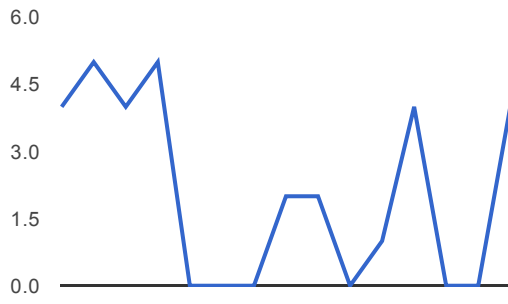
Aurora Water recommends against fee changes across the entire sector for all categories and subcategories. Question 7: Aurora Water views these proposed fee increases ambivalently. The impact to the utility is not overly burdensome, but the explanations of how the fee increases were determined have been difficult to follow and we have doubts about the appropriateness of the final values.

The division should redirect some money and spend less time coming up with complicated standards and policies and more time issuing permits. The division should use general permits for their original purpose which is to streamline the permitting process. Right now their general permits are so complicated, there is no benefit to industry to obtain one. We support the comments of CACI regarding the amount of increase and increasing dollars from the General Fund if at all possible.

CACI appreciates the work and effort that has gone into this stakeholder process and commends the willingness of the WQCD leadership and staff to respond to the CACI feedback and requests for information. Without question, this 2016 Clean Water Program (CWP) Permit Fee Structure stakeholder process yielded productive dialogue that has advanced the understanding of CACI and its impacted membership regarding the fiscal needs of the WQCD for the administration of the Clean Water Program. First, CACI welcomes the fact that “fees remaining in statute” has been an assumption throughout this process, and that the final proposal will ensure that specific permit fee amounts for the CWP will be specifically defined in state statute. Second, it is CACI’s position that the WQCD should include in its annual departmental requests an increased General Fund request. More specifically, it is CACI’s position that the WQCD should request additional General Fund at a level needed to limit the proposal’s impact on C&I sector permit fees to a 30% increase. CACI trusts that the WQCD can work with CACI and the broader group of stakeholders to determine the exact amount of additional GF that would be needed to achieve this goal. This level of increase is commensurate with the impacts across other key sectors such as the MS4 and PPU sectors. CACI looks forward to continued dialogue and partnership with the WQCD leadership and staff aimed at finalizing a consensus proposal that includes an increased GF request and then communicating this proposal and its rationale to the Joint Budget Committee staff and legislative membership. Without question, a joint effort on the part of CDPHE, CACI and the broader stakeholder community will be critical to efforts to generate legislative support for a consensus approach. While CACI generally understands the principles underlying the existing WQCD proposal now pending before stakeholders across the CWP sectors, CACI remains concerned regarding the impact of the current proposal on the permit fees in the Commerce & Industry Sector. A 61% increase to permit fees in the C&I Sector represents an increase that is two to three times larger than any other sector – in terms of the percentage increase. This level of increase to the C&I permit fees represents a challenge to operators across a range of industries that operate within the CWP’s regulated community. Given the cause-and-effect relationship between the required levels of General Fund and cash fund support needed to maintain CWP operations, even a marginally increased level of General Fund support can achieve a decreased level of impact to C&I permit fees that would be very important and beneficial to a wide range of industry operators. CACI has repeatedly expressed the justification for this approach in the various CACI comments filed throughout this process, including but not limited to the following points: • Clean water is essential to all aspects of life, commerce and industry throughout the State of Colorado.

• The benefit of clean water resources to Colorado's general health, wellness, and environment is shared broadly throughout the state without limitation. • General Funds are not a "subsidy," particularly for the C&I sector, which directly and indirectly generates more GF revenues than any other CWP sector. • Cash fund revenues collected from C&I Sector permittee operators should not be utilized to "subsidize" concerned citizen challenges to CWP permit applications that are directly opposed to their business and industrial interests. Forth, CACI remains concerned about the notion that the CWP will receive a substantial increase in annual funding, including funding to fill existing staff vacancies, yet there is no commitment that this increased funding will increase the level of services that permittee operators experience. With a range of CACI operators now facing permit fee increases in the range of 22% to 61%, it remains difficult for CACI to understand how a substantially increased level of funding, flowing from a mix of increases in cash fund and general fund revenues, and federal funds, will not generate a WQCD and CWP staff that is better equipped to deliver a higher level of service for permittees in the regulated community. Five, CACI believes that the final proposal and or report that this stakeholder process delivers to the Joint Budget Committee and General Assembly should include the following recommendations: • Recommendations reiterating the need for continued statutory requirements that the WQCD conduct sector-by-sector accounting of the revenues and expenditures – by fund type (GF, cash fund, or federal) – across each CWP sector; and that the WQCD transparently report its quarterly and annual accounting to the legislature and to CWP permittee stakeholders. • A recommendation that no later than 2020, the Legislative Audit Committee conduct a full legislative audit of the WQCD's administration of the CWP. • A recommendation that no later than 2020, a "Lean Program" review of the WQCD's and CWP's permit program is conducted to determine the effectiveness and efficiency of CWP practices, and to identify best practices and other strategies for achieving efficiencies within the permit program that save time and lower the financial burdens for the WQCD and for permittees. • A recommendation that expressly identifies when and how the permit fee structure and permit levels recommended for legislative approval should be reviewed. This recommendation should also identify the process via which the WQCD should conduct this analysis, in coordination with the legislature, the JBC members and staff, and the regulated community. This recommendation should ensure that the legislative audit and Lean Program reviews are fully completed before the WQCD can commence the next analysis of the permit fee structure and before the WQCD can recommend future changes to the permit fee structure. CACI looks forward to continued collaboration with the WQCD and thanks all WQCD leadership and staff for its willingness to consider CACI's position and to collaborate with CACI in striving for a consensus proposal. Thank you.

Number of daily responses



Appendix C

Stakeholder process - overview



Overview

Setting CW Program fees was a three phase process.

Phase I: 2014 stakeholder process.

Phase II: 2015 bill (HB15-1249) and data collection.

Phase III: 2016 finalize fees and submit proposal to legislature November 1, 2016 (HB16-1413).

The Phase III process was designed to inform and provide maximum dialogue between department staff and stakeholders. Staff updated the email distribution list from the Phase I process of 2014 to create a list of 353 interested parties. From May to August 2016, the department hosted three stakeholder meetings with live phone/web streaming for remote participants. Generally speaking, the goal of the process was to help people understand how the department budgets, the amount of money need to sustain the clean water program and what General Fund, cash fund ratios would sustainably fund the program.

The focus of meeting one was to create a baseline understanding of the department and division budget and budgeting process. The JBC staff scenario for fee proposals was also presented at meeting one as the starting scenario. Meeting two focused on four possible scenarios, including the scenario preferred by the department. Meeting three focused on the department proposal. Table one outlines meeting topics and opportunities for feedback.

The department provided multiple opportunities for feedback throughout the process. A survey was administered after each meeting to garner feedback on concepts presented at the meeting including policy recommendations. A summary of feedback results for each survey is Appendix D. Department staff also met with the following stakeholder groups, per their request, outside of the meeting process.

Colorado Agricultural Aviation Association
 Colorado Association of Commerce & Industry (three meetings)
 Colorado Mining Association
 Colorado Municipal League
 Colorado Stormwater Council
 Colorado Wastewater Utility Council

Table 1. CDPHE clean water program Phase III meeting topics and opportunities for feedback.

Meeting topics	Opportunities for feedback
Meeting one <ul style="list-style-type: none"> - Budget overview (department, division, clean water program) - Sector revenue and expenditure tracking sheet (to date) - JBC staff proposal for clean water program - Initial policy recommendations from department - Review opportunities for feedback and next steps Total attendees = 33	Meeting one <ul style="list-style-type: none"> - Q&A session in meeting. - Discussion with staff directly after meeting. - Staff availability outside of meeting time. - Online tool created for stakeholders to evaluate ratios and see how fees might change for each sector. - Online survey regarding starting scenario and initial policy recommendations (May 26-June 30)
Meeting two <ul style="list-style-type: none"> - Review feedback from online survey. - Present four new scenarios (based on feedback from stakeholders) <ul style="list-style-type: none"> - All cash funds to resolve deficit. - Current ratios to remain. - 50/50 General Fund/cash fund split - All General Fund 	Meeting two <ul style="list-style-type: none"> - Q&A session in meeting. - Discussion with staff directly after meeting. - Staff availability outside of meeting time. - Online survey regarding four scenarios and updated policy recommendations (July 20-28).

<ul style="list-style-type: none"> - Breakout discussion by sector (staff hosted each small group discussion) - Q/A discussion. <p>Total attendees = 35</p>	
<p>Meeting three</p> <ul style="list-style-type: none"> - Review feedback from online survey. - Discuss year end expenditure tracking. - Discuss changes to department proposal based on stakeholder feedback. - Present updated department proposal. - Q/A session. <p>Total attendees = 25</p>	<p>Meeting three</p> <ul style="list-style-type: none"> - Q&A session in meeting. - Discussion with staff directly after meeting. - Staff availability outside of meeting time. - Online survey regarding department proposal (Aug. 8-22).

Web and Email

WEB: The department has maintained the same website for the clean water fee process since 2014. The website hosts all materials and information meeting information, online survey link and feedback results as well as correspondence received.

www.colorado.gov/cdphe/clean-water-fee-structure-discussion

EMAIL: There are 353 parties on the email distribution list. During Phase III, eleven emails were sent to remind stakeholders of meetings or alert them to complete feedback via the online survey. A review of the analytics of all email sent shows that the open rate for the emails sent is 10% higher than the industry standard. This confirms that many people on the list were actually reading the email we sent inviting them to the process.

Appendix D

Online survey results and response to comments for Meetings 1 and 2



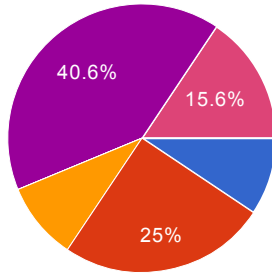
Meeting 1 Feedback 32 responses

[Edit this form](#)

[View all responses](#)

Summary

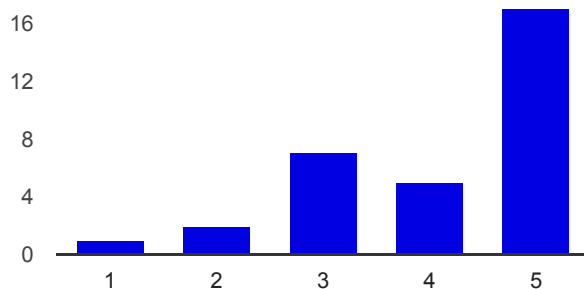
What sector do you represent (if applicable)?



Construction	3	9.4%
Commerce & Industry	8	25%
MS4	3	9.4%
Pesticides	0	0%
Public & Private Utilities	13	40.6%
WQ Certifications (401)	0	0%
Other	5	15.6%

INITIAL POLICY RECOMMENDATIONS

Recommendation 1 - Fees should remain in statute. Please rate how favorably you view this recommendation.



least favorable: 1 1 3.1%

	2	2	6.3%
	3	7	21.9%
	4	5	15.6%
most favorable:	5	17	53.1%

Comment on Recommendation 1 (as needed).

Fees need to stay in statue

The commission should have the authority to increase fees up to a certain percentage without having to change statute--this would make for a more streamline process and ensure that services continue to be provided.

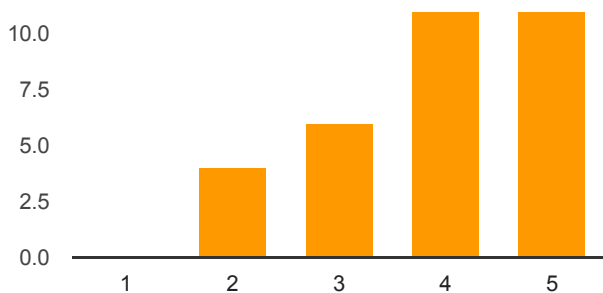
Fees are disguised taxes. Since they are already in the regulations, they will not be removed as it would contribute to too many governmental job losses as increasing taxes are difficult for law makers to deal with.

If fees are to be removed from statute, there must be assurances in place to protected regulated entities from large rate increases. These could include a floor on general fund appropriations, assurances that federal funds will be used to mitigate fee increases, and caps on the amounts that fees can increase in any given year.

This has been the commitment all along, and the stakeholders and the department have indicated the same.

Fees shall remain in statute and future changes will be addressed through the stakeholder process.

Recommendation 2 - Fee structure should remain the same. Existing sectors (Commerce and Industry, Construction, Municipal Separate Storm Sewer Systems (MS4), Pesticides, Public and Private Utilities and Water Quality Certifications) and associated categories do not require changes. Please rate how favorably you view this recommendation.



least favorable:	1	0	0%
	2	4	12.5%
	3	6	18.8%
	4	11	34.4%
most favorable:	5	11	34.4%

Comment on Recommendation 2 (as needed).

The Division needs to remain whole and understand that changes need to be made to fee structure

Fees should be based on usage of services--if one sector uses more services (hours), they should pay the greater percentage of the fees.

Fee structure to me means the "silos" of those categories. As far as the distribution of the fees within a category that is another matter and is the next project to look at the equity within a category. Perhaps next year.

It is critical that data be collected and disseminated to demonstrate that the Division is using its resources efficiently and effectively so that fee increases are clearly necessary and as minimal as possible.

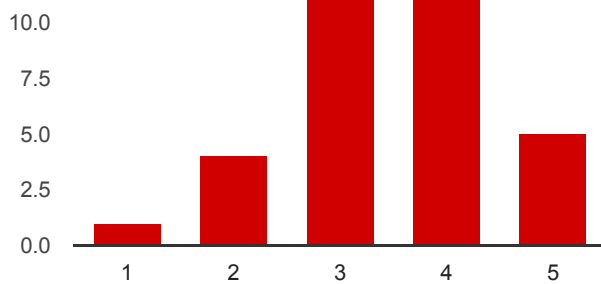
While maintaining the same overall ratio, generally (GF/CF/FF), rebalancing within each sector to reflect that ratio is not something that we would find objectionable. In fact, we believe that is the direction we were moving in to begin with.

Refinement within sectors is needed, e.g., there is a disparity in Phase I and II MS4 permit fees for municipalities of similar size.

It has appeared that the good part of this effort to this point has focused uniquely on how to address - in a transparent and accountable manner - the existing perceived operational budget shortfall the WQCD has faced in administering the Clean Water Program at a level that merely maintains the status quo level of services. It also appears that up to now, this focus has resulted in a conversation about fee amounts only, not changes to existing fee categories. This is not to say that there is not interest in deeper discussion about the fee structure, fee categories, or levels of service being provided, but it is not clear this process has the time or capacity to address all of these questions in full before the deadline to submit a proposal per HB-16-1413.

It is understood that the current fee structure does not provide sufficient resources for the permits program and we are interested in working with the Division and stakeholders to develop a new fee structure.

Recommendation 3 - Services should remain the same, for now. The legislative fix that is required at this time would maintain existing level of services. The department is willing to discuss fees for new services outside of this current clean water fee bill process. However, this current process is focused on maintaining existing services. Existing services are at risk of being reduced if clean water fees are not addressed. Please rate how favorably you view this recommendation.



Comment on Recommendation 3 (as needed).

Although I'm never in favor of having to pay more, I would be willing to pay more to retain good talent and reduce the turnover in the existing positions. Services should remain the same, but lets be competitive in the workplace so I don't have to train/get up to speed a new person every six months--it wastes a lot of time and money on both of our ends to have to train a new person due to high turnover.

I would be willing to entertain more service, provided we can get answers on why fees have to go up 150 percent just to maintain service. Your model doesn't include federal funds and how they are distributed. Until that is part of the model

Every scenario mentioned requires legislative action. It appears that existing services costs have inflated beyond the fee coverage or the services have expanded beyond their original intent so the existing fees are not adequate. Look at what the current fee structure was intended to cover to see if those bounds have been exceeded and cut back to the original intent.

. *The City recognizes that fees will have to be raised. Work load increases, complexity of water quality issues, and staff retention strain the ability of the department to maintain services at existing levels. Fixes to these issues require in depth, thoughtful, and substantive discussions. There is an action that can be implemented immediately that can help maintain service levels without raising fees, address process inefficiencies, an example follows. A review of a recent regulatory document resulted in approximately 6 hours of City staff time spent correcting spelling and grammatical errors alone. The document was only approximately 45 pages long! These errors were so distracting that it cast doubt on the accuracy of the calculations. Additionally, it does not present the division in a good light. Let's not waste division staff or the regulated community's time on errors that should not have occurred. Fee for services and the option for an individual sector to modify fees for their sector to allow for additional assistance from the division are supported.

Reclaimed water services are inadequate for needs of Colorado currently and with the expected implementation of additional uses, users and treaters, these resources will be stretched even further.

Existing services must be the starting point for this process, not the final goal. There have been many comments made in the last several years about how Division staff may not be able to participate in existing and future regulatory workgroups or provide opportunities to collaborate with regulated entities on new or renewal permits. "Existing services" must include this participation for the regulatory community to support the fee proposal.

The process should address other funding requirements and to what extent those services should appropriately be funded by fees or other sources

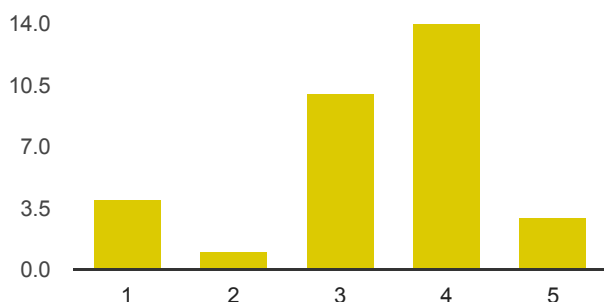
There is no reason why there should be a decline in services, unless the State is unwilling to maintain its General Fund commitment to the Division.

New services to be added should be addressed as an increase to each individual sector either in the base funding or separately as a fee for service model.

See previous comment.

It seems that services have been reduced. How does the Division define "existing services"?

Recommendation 4 - Develop sector specific fee changes based on General Fund/cash fund ratios. These fee changes would apply across the entire sector for all categories and subcategories within a given sector. Please rate how favorably you view this recommendation.



least favorable: 1	4	12.5%
	1	3.1%
	10	31.3%
	14	43.8%
most favorable: 5	3	9.4%

Comment on Recommendation 4 (as needed).

Funding needs to be maintained no matter what; fees need to make up for what is not supplied by the general fund. Since general funding can change, the ability to change fees needs to be there.

The ratios are too disparate. If this is the model they should be between 40 and 60 percent. Giving public utilities a 75 Pct ratio and Commerce and Industry a 25Pct. The Public good argument is no more persuasive than the fact that businesses pay taxes that end up in the GF C&I should get a 75 Pct share as the creator of the largess for the nontaxed public. Overall the ratios should be equal between sectors or you are going to have a helluva fight on your hands. The difference between a 25 Pct ratio and 50 Pct ratio is a 150 Pct fee increase and a 72 Pct increase. My industry will fight a 150 percent increase to the death. Especially when under the last iteration two sessions ago it was determined by the Department that they did not have

complicated permits and their permit structure remained largely the same. to swallow even a 72 percent increase is unconscionable.

I am not sure of all of the factors which might affect either the numerator or denominator of the ratio, but I suspect that the general fund can be affected greatly and to maintain the ratio desired, you would adjust fees accordingly. No oversight on fee increases.

The concept is acceptable. General Fund monies need to be kept in the mix. Water quality is important to all citizens living in or visiting Colorado. There are businesses that receive a benefit from protecting water quality that are not required to obtain a permit and therefore, do not directly contribute to the Clean Water Program. General Fund contribution partially represents the benefit these businesses receive as a result of their benefactors, the regulated community. Committing General Fund to the Clean Water Program also reflects the value the citizens of Colorado place on water quality.

Ratios make sense if they are done with some flexibility and in conjunction with a statutory floor on general fund contributions. However there are many moving parts that have not been considered or included in the proposal that require additional analysis and discussion.

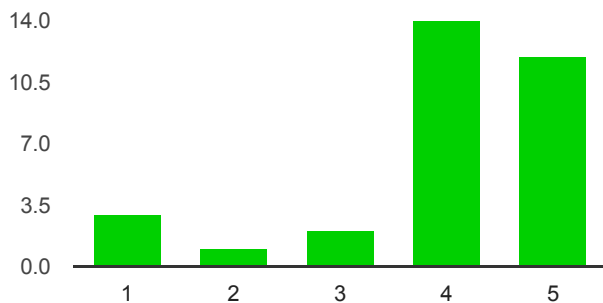
Fees by sector and sub-categories are skewed because permit staff does not often have the experience or knowledge about specific category functions, limitations and discharges. This is particularly true for the commerce and industry sectors so results in staff spending more time on these permits.

Depending on how this is done (see answer to recommendation 3), there may be merit here. However, Federal Funds must also be part of the ratio discussion.

Funding ratios should be structured to include a process which would determine when fees are adjusted on increases in General Fund either through program expansions, reductions in federal funds or common policy actions, such as salary survey and inflationary increases. Ratios need to reflect actual costs of services for sectors. Sector cost projections do not appear to match the ratios observed through first three quarters of this fiscal year. Also, fee changes uniformly to MS4 continue the disparity noted above.

All sectors should pay the same cash fund percentage. It's not clear how the fees would be adjusted if the amount of General Fund changes.

Recommendation 5 - Fee changes should be based on a five year forecast. This means that fees would be set and would not require revision until the fiscal year 2022-23 timeframe. A shorter time period such as three years would require the department to begin another stakeholder process around fees in 2017. Please rate how favorably you view this recommendation.



Comment on Recommendation 5 (as needed).

5yr minimum is appropriate, if not longer.

Five year minimum, if not longer.

Like the division, most MS4 operate on a 2-year budget cycle and keeping fees the same for a 5 year cycle would be most beneficial.

I think if the fee changes are within a certain percentage, the department should be able to change the fees (with the approval of the Commission) without going through the Stakeholder process. If the fee changes are significant (greater than a set percentage), then yes, stakeholders input needs to be included.

Why not 7 year cycle?

In reviewing the Fact Sheet – Starting Scenarios document, there is confusion as to how the escalation based on the consumer price index (4%/yr) + development of a fund balance (3.3%/yr) + administration and various extraneous costs add up. Is the division implying that in order to keep services at the existing level there needs to be a minimum of 7.3%/yr growth in fees + extraneous costs? At 4%/yr, does a 5 year delay means that the regulated community is starting from 20% hole in 2022? If this is correct, starting the stakeholder process in 2017 is preferable. If this is not correct, delaying to 2022 is preferable as this would allow time to evaluate and fine tune the new fee structure before starting the stakeholder process over. The option for an individual sector to enter into discussions with the division and the JBC to modify fees for their sector to allow for additional assistance from the division is supported. Permit fees should pay for all staff under the Permit Section, a percentage of the Clean Program and Safe Drinking Water Program Manager's salary, and a percentage of the Watershed and Drinking Water Compliance Assurance Sections. Furthermore, vacancies in the Permits Section staffing should be filled. As to paying for administration and supporting expenses, these should largely be paid for out of General Fund money, on a fee for services basis, or as an opt in by sector i.e. modify fees across the entire sector. There is concern that administration and supporting expenses will not be clearly defined, and that there is potential for this category to grow unchecked. The City is interested in exploring an expedited permit process whereby the utility would hire a consultant to perform activities normally performed by division staff such as AMMTOX modeling, PELs, reasonable potential and low flow analysis. Division staff would review results but not rerun the work. This has the added benefit of saving division staff time. This suggestion is similar to the third-party TMDL process that the State and Division are agreeable with.

Certainty is critical during this transition period, so five years is the minimum timeframe that should be used. During this period an independent audit of the Division should be performed to determine if the Division is using its resources efficiently and effectively, and to make recommendations on how to improve the effective and efficient use of resources.

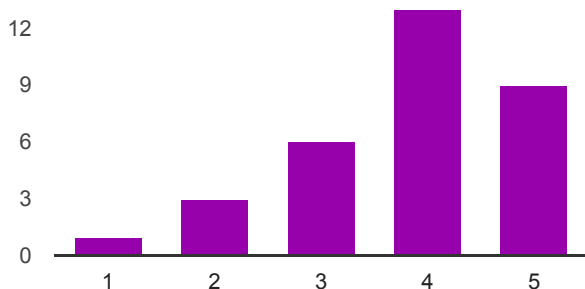
If a commitment can be made to cease the JBC staff from trying to change the direction of the discussion every year, then even an annual stakeholder process would not be cumbersome. We spend all our time reacting to curve balls and not sticking with the program.

If a process is in place to address fluctuations in general fund or federal funding, a fee change review of three years could be appropriate. A five year sunset of this funding mechanism should be added in case the stakeholders felt it necessary to make changes or eliminate the process altogether.

This recommendation should be paired with keeping fees in statute. If the heightened level of data collection and reporting, now required in statute continues, future stakeholder processes should not be as demanding as processes have been up to now.

The fee amount should remain constant for some period of time so that there is some certainty for permittees. It seems that the General Fund that the Division receives varies from year to year. If the fees are set, and the General Fund decreases, how would that impact the Division's operating budget?

Recommendation 6 - Develop a two month reserve or 16.5 percent fund balance by sector over a five year period. Statute allows for cash funds to develop a two month reserve. The purpose of this reserve is to allow a smooth transition between fiscal years as revenue catches up with expenditures over the first two months of a fiscal year. Please rate how favorably you view this recommendation.



least favorable: 1	1	3.1%
	3	9.4%
	6	18.8%
	13	40.6%
most favorable: 5	9	28.1%

Comment on Recommendation 6 (as needed).

As long as there is a string attached that it cannot be swept into another fund. The fees should be earmarked for that specific purpose.

Danger of fund balance sweeps.

Two month reserve is prudent planning for emergencies, not in planning that your expenditures will always exceed income. This entire process is knowing that you over spend constantly and need a way to increase your revenue rather than understanding the causes for over spending and fixing them.

The City is in support of the 16.5% fund balance recommendation as it has been laid out by the State. We think it provides a measure of safety during times of extraordinary need. The City would also like to provide the following alternative to the plan already proposed. Keep a 16.5% fund balance but not necessarily be constrained by sector, i.e. reserve to go into a general reserve fund, usable to meet temporary needs regardless of sector. This configuration gives the division flexibility to respond to needs that may arise due to an emergency situation or market variability that may be experienced within a given sector. Individual sectors will remain fully funded as only reserve funds can be used to meet the need. A joint reserve would also stabilize staffing, i.e. smooth out boom or bust cycling keeping trained staff in place rather than having to reduce staff during a sector downturn. Keeping already trained staff rather than training new staff benefits the regulated community. Accounting would have to be developed to track contributions and ensure transparency if the general reserve model is adopted.

We are in favor of the creation of a reserve, but we are not convinced that these funds should come from the regulated community. Federal funds have not been included in this proposal; while there is no guarantee on the amount of federal funds that the State will receive, the criteria for use of these funds has not been discussed and no assurance has been given that they will be used to keep fee increases to a minimum. The use of federal funds to establish the reserve fund should be considered.

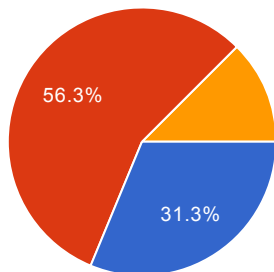
Need more informaton.

Clarify that once the 16.5% balance is achieved, this will no longer be part of the fee except to replenish 16.5% when needed. Should federal fund ratio be increased to share in this cost?

How would this 2 month reserve be developed?

POLICY ISSUES THAT NEED FURTHER DISCUSSION

Issue 1 - What is an appropriate effective date for fee increases?



July 1, 2017	10	31.3%
January 1, 2018	18	56.3%
Other	4	12.5%

Comment on Issue 1 (as needed).

Our budgets for 2017 are already set in stone.

The turnover in staffing is getting old. Lets get enough funding for the program to retain staff.

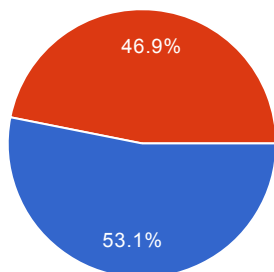
The City is prepared and has been anticipating increased fees for a number of years. However, we do recognize that smaller utilities may be challenged with the July 2017 timeline.

For those who rely on public entities and/or ratepayers for their revenue, sufficient time must be given to enable those entities to adjust their budgets accordingly.

If fee increases are needed, anyway

This answer depends on how exactly fee increases will be achieved.

2017 budgets have already been set. Our budget year is a calendar year.

Issue 2 - If your sector faces a fee increase, should that fee increase be phased over multiple years?

Yes 17 53.1%

No 15 46.9%

If you answered yes above, over how many years should fee increases be phased?

2 years

5

2

3 years

It depends on how much of an increase is incurred.

20

3

5 Years

Spread the increase over 2 to 3 years incrementally.

Over 3 years at a minimum.

3 to 5 years

Upon developing a consensus proposal, WQCD should repose this question to stakeholders.

Comment on Issue 2 (as needed).

It depends on how big the increase is. The larger the increase, the more years it should be phased over

If it below, say 5% no; if yes, then no more than a 5% increase year over year to the appropriate funding level. Could also be based off size of company. I could handle a larger increase, but I'm not a utility relying on consumers to pay for a service.

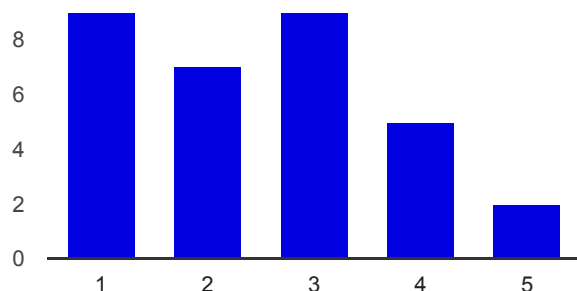
There is disagreement within our utility over this topic, one individual believes that the increase should be a single year increase without delay.

See response to Issue 1.

See prior comment.

Phasing may not be necessary if the magnitude of the fee increase is not significant.

Issue 3 - If sector specific General Fund/cash funds ratios are set in statute how favorably would you view a clause in the statute that after a 5-year period cash fees would automatically adjust based on the General Fund/cash fund ratio? This clause could result in cash fee increases or decreases that vary annually.



least favorable: 1	9	28.1%
	7	21.9%
	9	28.1%
	5	15.6%
most favorable: 5	2	6.3%

Comment on Issue 3 (as needed).

We would prefer predictability.

With a max % of increase.

Automatic tax increases are destructive for effective cost management.

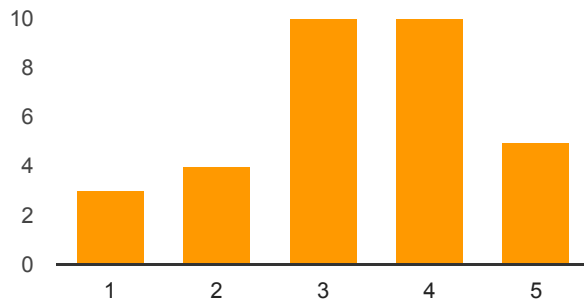
It is easier to budget if the cash fund remains the same, i.e. keep permit fees stable. Is there a mechanism to use the windfall to conduct special studies such as development of DSV or trading policies, or collection of additional water quality data in support of a rule making hearing?

Nothing should be automatic with regard to the fee program. As noted above, certainty is critical for the regulated community. In addition, there must be the opportunity for oversight to ensure that there is efficient and effective use of funds.

Wait until after the initial five year test is complete to decide if this is appropriate.

This conflicts with Recommendation 1 to keep fees in statute. It is not clear how this type of program would work through existing budget and or AQCC processes.

Issue 4 - How favorably would you view fees remaining in statute with a defined cap on fees that could not be increased without legislative approval? This option would allow the department or Water Quality Control Commission to establish minor fee changes within the statutory cap.



least favorable: 1	3	9.4%
	4	12.5%
	10	31.3%
	10	31.3%
most favorable: 5	5	15.6%

Comment on Issue 4 (as needed).

Very clear definition is needed on what a minor fee change is...

Provided that the ratio nonsense is dropped and a statutory min is begun starting with how much general fund is currently in the program is adopted by bill

This would required some legislative consideration on further taxing clean water.

We are generally in support of this idea, but would like to see more information on how this works in practice. What would the definition of "minor" be, how are changes in fees distributed fairly across sectors, does this plan require public participation every five years and what does that look like?

While fee increases will likely be necessary, they will be less objectionable if general fund contributions are consistent, federal funds are used to mitigate fee increases, and ongoing oversight is maintained. All adjustments should be transparent and supported by data.

This would be a total diversion from the route that we've consistently agreed upon going. My organization would oppose any fee authority being conferred to the Commission.

Too uncertain - would require a cap on increases considered in Issue 2.

See prior comment.

Do you have other feedback or a different policy recommendation or issue that needs discussed? Please describe.

We need to retain employees in the division.

We have to get a statutory minimum in statute as a condition for a fee increase. early notice from OSPB and the CDPHE about fee increases has to be mandatory. there has to be a lean program review every three years and an audit committee review every 5 years. If ratios remain then they have to be equal among sectors or a 40-60 percent bandwidth adopted.

THE DEPARTMENT SHALL CONDUCT A STAKEHOLDER PROCESS REGARDING THE APPROPRIATE AND NECESSARY FEES THAT EACH SUBCATEGORY OF EACH SECTOR SHOULD PAY TO ENABLE EACH SECTOR TO BE ADEQUATELY FUNDED BY FEES COLLECTED FROM THAT SECTOR.

This plan does not seem to address future needs nor current gaps in service for all sectors. Additional staffing is needed for Clean Water and Drinking Water compliance assistance, especially for public utilities.

There have been incremental increases in available funds for the reclaimed water program that don't seem tied to fees. Transparency within the sectors would help. Also, while input has been sought on how those funds are spent, that input has not affected where funding goes and the process seems to be exclusive.

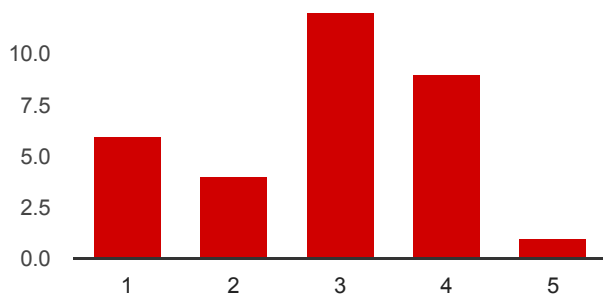
Non-permittees should also be funding for services that they receive. For example, participation in public hearings, requests for information, etc.

Stay the course. After all the stakeholder meetings and discussions, there have been many common themes and (more importantly) and general agreement that each sector should 1) pay its own way and; 2) be funded with combination of FF/GF/CF in a ratio that is consistent across all sectors. Only the misguided direction of a JBC analyst have diverted everyone else off that path, and it is important that we remain true to it. If the Division proposes a bill that rebalances fees in proportion, we will support it - even if it means our sector increases. Consistency is important. Coming up with yet another new scheme instead of sticking with the path we are on would guarantee yet another year of no progress.

Have other fee structures been considered? Has the Division looked at how the other Divisions within CDPHE collect permit-related fees? While maybe not directly applicable, has the Division looked at how fees in other state clean water programs are collected?

FEEDBACK ON FIVE-YEAR FORECAST

How favorably do you view the 5-year forecast that was used to establish the starting scenario of fee changes?



most favorable: 5 **1** 3.1%

Please provide other feedback on the forecast (as needed).

Don't agree with first assumption

Do not agree with first assumption.

Better cost management in needed to operate within the limits of existing revenues.

5-year forecast that meets in the intent of HB16-1413.

While the idea of forecasting increases for a five year period is agreeable, the plan as it was presented is confusing, and seems to suggest that a large deficit would be present after the five year period. This does not seem to support the Division's plans for keeping services fluid and creating financial stability.

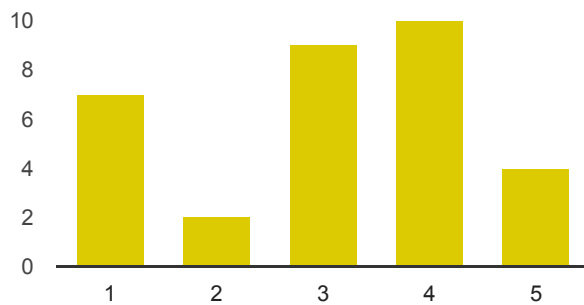
Neutral: I don't know enough to support or oppose the forecast.

Additional information and discussion is necessary to ensure that the assumptions used are appropriate. As noted above, use of federal funds to establish the reserve fund would alter the assumptions.

Process difficult to understand. Cannot easily track back through calculations and understand if applied properly. The columns on the effect of HB 1413 need more explanation.

STARTING SCENARIO FOR DISCUSSION PURPOSES - BASED ON 2015 JBC STAFF RECOMMENDATIONS

How favorably do you view the starting scenario



Comment on starting scenario (as needed).

There is no good policy argument for not making the ratios equal between sectors. or said another way, all the sectors can make a good argument for why they deserve general funds, The spread between 25 and 75 percent will be too large and at 75 percent the C&I sector faces a 150 percent increase in fees. Tht is a total no starter. You will have a GIANT fight on your hands with multiple companies trying to kill the bill. This is your Dr. Phil moment to ask "what were we thinkin?"

Better cost management in needed to operate within the limits of existing revenues. Too volatile for changes.

As stated by the Division presentation to the Colorado Stormwater Council on June 22, 2016, this starting scenario meets the intent of the legislature and these ratios calculate the appropriate and necessary fees that each subcategory of each sector should pay to enable each sector to be adequately funded by fees collected by from that sector.

From a public utility perspective, the idea of having a potential fee decrease could be nice. However, the general fund does not provide a stable and secure funding source. We would much rather pay more in fees to ensure that we receive the services that we need.

Ensuring clean water is a state-wide rather than regional need, and the starting scenario appears to recognize that the State must be a significant supporter of clean water efforts.

Biased question because it only requests favorable responses.

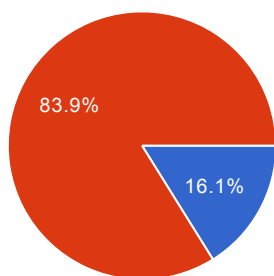
It is not at all clear why these ratios 1) do not include federal funding, and 2) are inconsistent across each sector.

The starting scenario does not appear to properly reflect current funding levels and therefore is misleading regarding how each sector is to be funded. The starting scenario would have been more helpful if it had used the current funding mix in the spreadsheet. It could have included the first three quarters of actual data and a projection of the fourth quarter. We need to understand the actual difference in fees we will pay for our permits before supporting this or other ratios.

This Staff Recommendation conflicts with Recommendation 1 to keep fees in statute and was developed without input from stakeholders in a manner that disregarded prior efforts of stakeholders and the division on HB-15-1249. Furthermore, the ratios were developed without stakeholder input per an arbitrary public/private benefit sliding scale that is not accurately reflect the benefits and beneficiaries of each CWP sectors' operations.

All sectors should be treated the same and all pay the same percentage.

50/50 for Commerce and Industry

Do you have an alternate proposal different from the starting scenario?Yes **5** 16.1%No **26** 83.9%**Alternate Proposals****CONSTRUCTION**

What is your preferred GENERAL FUND percentage for construction sector fees? (numeric value only)

75

50

What is your preferred CASH FUND percentage for construction sector fees? (numeric value only)

25

50

Provide any other feedback regarding the CONSTRUCTION sector.

COMMERCE & INDUSTRY (C&I)

What is your preferred GENERAL FUND percentage for C&I sector fees? (numeric value only)

50

75

What is your preferred CASH FUND percentage for construction sector fees? (numeric value only)

50

25

Provide any other feedback regarding the C&I sector.

Unequal ratios between sectors will doom the bill. The outcome disproportionately effects C&I.

Municipal Separate Storm Sewer System (MS4)

What is your preferred GENERAL FUND percentage for MS4 sector fees? (numeric value only)

50

75

What is your preferred CASH FUND percentage for construction sector fees? (numeric value only)

50

25

Provide any other feedback regarding the MS4 sector.

PESTICIDES

What is your preferred GENERAL FUND percentage for pesticide sector fees? (numeric value only)

75

25

50

What is your preferred CASH FUND percentage for pesticide sector fees? (numeric value only)

25

75

50

Provide any other feedback regarding the pesticide sector.

Pesticides sector ratio could be altered to 25%/75% as pesticide applicators are business owners (similarly to Commerce and Industry and Construction sectors) and agricultural crops that use the most pesticides are generally high value crops. The 25% savings could float between sectors that might be in need at the moment or the savings could permanently be allocated to other sectors

Funding ratio should be phased in over three to five years.

PUBLIC & PRIVATE UTILITIES (PPU)

What is your preferred GENERAL FUND percentage for PPU sector fees? (numeric value only)

50

75

What is your preferred CASH FUND percentage for PPU sector fees? (numeric value only)

50

25

Provide any other feedback regarding the PPU sector.

This scenario does not decrease our fees and limits our reliance on the general fund for providing service to utilities.

WQ CERTIFICATIONS (401)

What is your preferred GENERAL FUND percentage for WQ certifications (401) sector fees? (numeric value only)

75

50

What is your preferred CASH FUND percentage for WQ certifications (401) sector fees? (numeric value only)

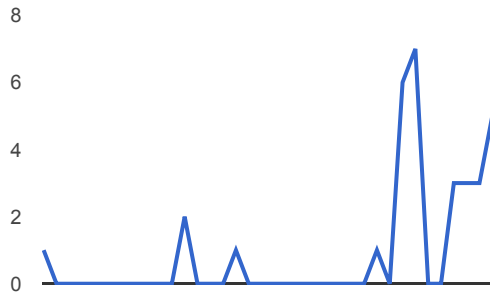
25

50

Provide any other feedback regarding the WQ certifications (401) sector.

More information is needed about 401 certifications. Schedules, cost estimates, not to exceed amounts, etc. are essential when planning a project.

Number of daily responses





Recommendation	No.	Comment	Response
Recommendation 1 - Fees should remain in statute. Please rate how favorably you view this recommendation.	1	Fees need to stay in statute	The department's current recommendation is that fees should remain in statute. An option we are exploring is a fee cap that would also be in statute.
	2	The commission should have the authority to increase fees up to a certain percentage without having to change statute--this would make for a more streamlined process and ensure that services continue to be provided.	As outlined in Issue 4 in this comment form, we are seeking feedback on utilizing this option.
	3	Fees are disguised taxes. Since they are already in the regulations, they will not be removed as it would contribute to too many governmental job losses as increasing taxes are difficult for law makers to deal with.	The department's current recommendation is that fees should remain in statute. An option we are exploring is a fee cap that would also be in statute.
	4	If fees are to be removed from statute, there must be assurances in place to protected regulated entities from large rate increases. These could include a floor on general fund appropriations, assurances that federal funds will be used to mitigate fee increases, and caps on the amounts that fees can increase in any given year.	The department's current recommendation is that fees should remain in statute. An option we are exploring is a fee cap that would also be in statute.
	5	This has been the commitment all along, and the stakeholders and the department have indicated the same.	The department's current recommendation is that fees should remain in statute. An option we are exploring is a fee cap that would also be in statute.
	6	Fees shall remain in statute and future changes will be addressed through the stakeholder process.	The department's current recommendation is that fees should remain in statute. An option we are exploring is a fee cap that would also be in statute.
Recommendation 2 - Fee structure should remain the same. Existing sectors (Commerce and Industry, Construction, Municipal Separate Storm Sewer Systems (MS4), Pesticides, Public and Private Utilities and Water Quality Certifications) and associated categories do not require changes. Please rate how favorably you view this recommendation.	7	The division needs to remain whole and understand that changes need to be made to fee structure	It is not clear what the commenter recommends for changes to the fee structure. At this point, the department's recommendation is that the only part of the fee structure that would change are the fees. Our current recommendation is that fees would be adjusted at the sector level and fees would not vary at the category or sub-category level.
	8	Fees should be based on usage of services--if one sector uses more services (hours), they should pay the greater percentage of the fees.	Based on historic time tracking and actual expenditure data, the department has developed a five-year forecast identifying the total needs or usage of each sector. This is the basis for the fee changes being discussed as part of this stakeholder effort.
	9	It is critical that data be collected and disseminated to demonstrate that the Division is using its resources efficiently and effectively so that fee increases are clearly necessary and as minimal as possible.	Stakeholders, through the Phase I process, requested additional transparency regarding how fees are utilized and monies spent. In response, the division submits revenue and expenditure tracking information on a quarterly basis as required by the Joint Budget Committee.
	10	While maintaining the same overall ratio, generally (GF/CF/FF), rebalancing within each sector to reflect that ratio is not something that we would find objectionable. In fact, we believe that is the direction we were moving in to begin with.	Varying scenarios of General Fund to cash fund will be explored at the second stakeholder meeting. Federal Funds will also be discussed.
	11	Refinement within sectors is needed, e.g., there is a disparity in Phase I and II MS4 permit fees for municipalities of similar size.	Our current recommendation is that fees would be adjusted at the sector level and fees would not vary at the category or sub-category level.
	12	It has appeared that the good part of this effort to this point has focused uniquely on how to address - in a transparent and accountable manner - the existing perceived operational budget shortfall the WQCD has faced in administering the Clean Water Program at a level that merely maintains the status quo level of servies. It also appears that up to now, this focus has resulted in a conversation about fee amounts only, not changes to existing fee categories. This is not to say that there is not interest in deeper discussion about the fee structure, fee categories, or levels of service being provided, but it is not clear this process has the time or capacity to address all of these questions in full before the deadline to submit a proposal per HB-16-1413.	Comment noted.
	13	It is understood that the current fee structure does not provide sufficient resources for the permits program and we are interested in working with the Division and stakeholders to develop a new fee structure.	Comment noted.



Recommendation	No.	Comment	Response
Recommendation 3 - Services should remain the same, for now. The legislative fix that is required at this time would maintain existing level of services. The department is willing to discuss fees for new services outside of this current clean water fee bill process. However, this current process is focused on maintaining existing services. Existing services are at risk of being reduced if clean water fees are not addressed. Please rate how favorably you view this recommendation.	14	Although I'm never in favor of having to pay more, I would be willing to pay more to retain good talent and reduce the turnover in the existing positions. Services should remain the same, but lets be competitive in the workplace so I don't have to train/get up to speed a new person every six months- it wastes a lot of time and money on both of our ends to have to train a new person due to high turnover.	The department agrees that having a stable funding base would help address employee retention.
	15	Every scenario mentioned requires legislative action. It appears that existing services costs have inflated beyond the fee coverage or the services have expanded beyond their original intent so the existing fees are not adequate. Look at what the current fee structure was intended to cover to see if those bounds have been exceeded and cut back to the original intent.	Costs of services provided currently exceeds revenue generated from fees.
	16	Reclaimed water services are inadequate for needs of Colorado currently and with the expected implementation of additional uses, users and treaters, these resources will be stretched even further.	The department is currently working with interested stakeholders and other state agencies regarding funding of new and additional reuse services.
	17	Existing services must be the starting point for this process, not the final goal. There have been many comments made in the last several years about how Division staff may not be able to participate in existing and future regulatory workgroups or provide opportunities to collaborate with regulated entities on new or renewal permits. "Existing services" must include this participation for the regulatory community to support the fee proposal.	If fees are increased to maintain existing services then the division will continue to be able to support workgroups and provide opportunities to collaborate with regulated entities on new or renewal permits. If fees are not increased to maintain existing services, services including collaborative efforts, will have to be cut.
	18	The process should address other funding requirements and to what extent those services should appropriately be funded by fees or other sources	Cash, General and federal funds are the collective source of all funds for the division. Though federal funds are not up for discussion as part of this process, they have been included for full transparency.
	19	There is no reason why there should be a decline in services, unless the State is unwilling to maintain its General Fund commitment to the Division.	The General Fund made available as part of HB16-1413 was a one time transfer to the department's Water Quality Improvement Fund from the General Fund. This funding is not guaranteed after the 2016-17 fiscal year.
	20	New services to be added should be addressed as an increase to each individual sector either in the base funding or separately as a fee for service model.	The department agrees with this recommendation.
	21	It has appeared that the good part of this effort to this point has focused uniquely on how to address - in a transparent and accountable manner - the existing perceived operational budget shortfall the WQCD has faced in administering the Clean Water Program at a level that merely maintains the status quo level of servies. It also appears that up to now, this focus has resulted in a conversation about fee amounts only, not changes to existing fee categories. This is not to say that there is not interest in deeper discussion about the fee structure, fee categories, or levels of service being provided, but it is not clear this process has the time or capacity to address all of these questions in full before the deadline to submit a proposal per HB-16-1413.	Comment noted.
	22	It seems that services have been reduced. How does the Division define "existing services"?	To balance our budget, the division has held vacant positions open and this has increased our permit backlog. If the division is funded as we have discussed in the stakeholder effort then that should help address permit backlog and will allow the division to continue to participate in stakeholder efforts.
	23	Funding needs to be maintained no matter what; fees need to make up for what is not supplied by the general fund. Since general funding can change, the ability to change fees needs to be there.	As we outlined in Issue 4 in this comment form, we are seeking feedback on how we could change fees using a fee cap.



Recommendation	No.	Comment	Response
Recommendation 4 - Develop sector specific fee changes based on General Fund/cash fund ratios. These fee changes would apply across the entire sector for all categories and subcategories within a given sector. Please rate how favorably you view this recommendation.	24	The ratios are too disparate. If this is the model they should be between 40 and 60 percent. Giving public utilities a 75 Pct ratio and Commerce and Industry a 25Pct. The Public good argument is no more persuasive that the fact that businesses pay taxes that end up in the GF C&I should get a 75 Pct share as the creator of the largess for the nontaxed publics. Overall the ratios should be equal between sectors or you are going to have a helluva fight on your hands. the difference between a 25 Pct ration and 50 Pct ration is a 150 Pct fee increase and a 72 Pct increase. My industry will fight a 150 percent increase to the death. Especially when under the last iteration two sessions ago it was determined by the Department that they did not have complicated permits and their permit structure remained largely the same. to swallow even a 72 percent increase is unconscionable.	The purpose of the starting scenario was to introduce the concept of General Fund to cash funds ratio by sector and for stakeholders to provide feedback on what the is appropriate ratio of General Fund to cash funds for their sector. At this time, the department does has not recommended a percentage fee change by sector. We will be seeking feedback during the final two stakeholder meetings on fee changes.
	25	I am not sure of all of the factors which might affect either the numerator or denominator of the ratio, but I suspect that the general fund can be affected greatly and to maintain the ratio desired, you would adjust fees accordingly. No oversight on fee increases.	Yes, this is how the fee changes are set-up to be estimated based on the spreadsheet tool that was provided to stakeholders. Because fees are in statute, the legislature currently has oversight on fees and associated fee increases. The department is recommending that fees remain in statute.
	26	Ratios make sense if they are done with some flexibility and in conjunction with a statutory floor on general fund contributions. However there are many moving parts that have not been considered or included in the proposal that require additional analysis and discussion.	The purpose of the ratio is to ensure a fair amount of General Fund in comparison with the level of cash funds.
	27	Fees by sector and sub-categories are skewed because permit staff does not often have the experience or knowledge about specific category functions, limitations and discharges. This is particularly true for the commerce and industry sectors so results in staff spending more time on these permits.	Comment noted.
	28	Depending on how this is done (see answer to recommendation 3), there may be merit here. However, Federal Funds must also be part of the ratio discussion.	Federal funds will be discussed at the second stakeholder meeting.
	29	Funding ratios should be structured to include a process which would determine when fees are adjusted on increases in General Fund either through program expansions, reductions in federal funds or common policy actions, such as salary survey and inflationary increases. Ratios need to reflect actual costs of services for sectors. Sector cost projections do not appear to match the ratios observed through first three quarters of this fiscal year. Also, fee changes uniformly to MS4 continue the disparity noted above.	The Long Bill provided bottom line funding for the new sectors in FY 2015-16 to provide the needed flexibility. The division has provided the budget vs. actual expenditure data for transparency as required by the Joint Budget Committee. The expenditure ratios are aligning very closely with the budget that was established at the beginning of the FY.
Recommendation 5 - Fee changes should be based on a five year forecast. This means that fees would be set and would not require revision until the fiscal year 2022-23 timeframe. A shorter time period such as three years would require the department to begin another stakeholder process around fees in 2017. Please rate how favorably you view this recommendation.	30	All sectors should pay the same cash fund percentage. It's not clear how the fees would be adjusted if the amount of General Fund changes.	Varying scenarios of General Fund to cash funds will be explored at the second stakeholder meeting. Federal Funds will also be discussed.
	31	5yr minimum is appropriate, if not longer.	The department agrees that 5 years is an appropriate minimum timeframe. If fees remain in statute with a cap and the department could change fees within the cap the length of time until another legislative fix is required could be extended beyond five years.
	32	Five year minimum, if not longer.	The department agrees that 5 years is an appropriate minimum timeframe. If fees remain in statute with a cap and the department could change fees within the cap the length of time until another legislative fix is required could be extended beyond five years.
	33	Like the division, most MS4 operate on a 2-year budget cycle and keeping fees the same for a 5 year cycle would be most beneficial.	The department agrees that 5 years is an appropriate minimum timeframe. If fees remain in statute with a cap and the department could change fees within the cap the length of time until another legislative fix is required could be extended beyond five years.



Recommendation	No.	Comment	Response
	34	I think if the fee changes are within a certain percentage, the department should be able to change the fees (with the approval of the Commission) without going through the Stakeholder process. If the fee changes are significant (greater than a set percentage), then yes, stakeholders input needs to be included.	The department agrees with this recommendation.
	35	Why not 7 year cycle?	The department recommends that 5 years is an appropriate minimum timeframe. If fees remain in statute with a cap and the department could change fees within the cap the length of time until another legislative fix is required could be extended beyond five years.
	36	In reviewing the Fact Sheet - Starting Scenarios document, there is confusion as to how the escalation based on the consumer price index (4%/yr) + development of a fund balance (3.3%/yr) + administration and various extraneous costs add up. Is the division implying that in order to keep services at the existing level there needs to be a minimum of 7.3%/yr growth in fees + extraneous costs? At 4%/yr, does a 5 year delay means that the regulated community is starting from 20% hole in 2022? If this is correct, starting the stakeholder process in 2017 is preferable. If this is not correct, delaying to 2022 is preferable as this would allow time to evaluate and fine tune the new fee structure before starting the stakeholder process over.	The department is not recommending a 5-year delay but is recommending an increase in current fee revenue and/or General Fund based on the 5-year forecast to support existing services. The 4% CPI increase is intended to cover state approved annual personal services increases. After five years, there will be a 16.5% fund balance (3.3%/year for 5 years) and therefore the 3.3% annual increase will be removed. Other than these two areas, cost cannot grow beyond current levels without legislation.
	37	The option for an individual sector to enter into discussions with the division and the JBC to modify fees for their sector to allow for additional assistance from the division is supported.	The department agrees that this is a benefit to the sector approach.
	38	Permit fees should pay for all staff under the Permit Section, a percentage of the Clean Program and Safe Drinking Water Program Manager's salary, and a percentage of the Watershed and Drinking Water Compliance Assurance Sections. Furthermore, vacancies in the Permits Section staffing should be filled.	The purpose of this fee stakeholder process and associated recommendations to the Joint Budget Committee is for the Clean Water Program's fees. The 5-year forecast developed by the department covers costs associated with all Clean Water Program areas - Permits Section, Watershed Section, Compliance and Enforcement, Engineering and Field Services. In addition the forecast addresses the total department costs which include administration, POTS, and indirect costs.
	39	As to paying for administration and supporting expenses, these should largely be paid for out of General Fund money, on a fee for services basis, or as an opt in by sector i.e. modify fees across the entire sector. There is concern that administration and supporting expenses will not be clearly defined, and that there is potential for this category to grow unchecked.	The administrative and supporting expenses are very clearly defined in the budget and cannot grow unchecked. Administrative and supporting expenses are generally paid by all fund sources at proportional levels so that these costs are covered in an equitable manner.
	40	The City is interested in exploring an expedited permit process whereby the utility would hire a consultant to perform activities normally performed by division staff such as AMMTOX modeling, PELs, reasonable potential and low flow analysis. Division staff would review results but not rerun the work. This has the added benefit of saving division staff time. This suggestion is similar to the third-party TMDL process that the State and Division are agreeable with.	Please contact the division director or clean water program manager to discuss this option further. Our experience with third-party TMDLs has shown that the division's time and involvement is not greatly reduced.
	41	Certainty is critical during this transition period, so five years is the minimum timeframe that should be used. During this period an independent audit of the Division should be performed to determine if the Division is using its resources efficiently and effectively, and to make recommendations on how to improve the effective and efficient use of resources.	Comment noted.
	42	If a commitment can be made to cease the JBC staff from trying to change the direction of the discussion every year, then even an annual stakeholder process would not be cumbersome. We spend all our time reacting to curve balls and not sticking with the program.	Comment noted.



Recommendation	No.	Comment	Response
	43	If a process is in place to address fluctuations in general fund or federal funding, a fee change review of three years could be appropriate. A five year sunset of this funding mechanism should be added in case the stakeholders felt it necessary to make changes or eliminate the process altogether.	Comment noted.
	44	This recommendation should be paired with keeping fees in statute. If the heightened level of data collection and reporting, now required in statute continues, future stakeholder processes should not be as demanding as processes have been up to now.	Comment noted.
	45	The fee amount should remain constant for some period of time so that there is some certainty for permittees. It seems that the General Fund that the Division receives varies from year to year. If the fees are set, and the General Fund decreases, how would that impact the Division's operating budget?	If General Fund decreases, cash funds will need to be increased to accommodate the decreases. Federal funds are anticipated to be flat for the next three to five years.
Recommendation 6 - Develop a two month reserve or 16.5 percent fund balance by sector over a five year period. Statute allows for cash funds to develop a two month reserve. The purpose of this reserve is to allow a smooth transition between fiscal years as revenue catches up with expenditures over the first two months of a fiscal year. Please rate how favorably you view this recommendation.	46	As long as there is a string attached that it cannot be swept into another fund. The fees should be earmarked for that specific purpose.	The specific line item appropriations for each sector supports this philosophy.
	47	Two month reserve is prudent planning for emergencies, not in planning that your expenditures will always exceed income. This entire process is knowing that you over spend constantly and need a way to increase your revenue rather than understanding the causes for over spending and fixing them.	The Water Quality Control Division does not overspend its annual appropriation. The 16.5% fund balance is allowable by statute in order to cover cash flow needs from one fiscal year to another.
	48	We are in favor of the creation of a reserve, but we are not convinced that these funds should come from the regulated community. Federal funds have not been included in this proposal; while there is no guarantee on the amount of federal funds that the State will receive, the criteria for use of these funds has not been discussed and no assurance has been given that they will be used to keep fee increases to a minimum. The use of federal funds to establish the reserve fund should be considered.	The reserve applies only to cash funds which are solely funded by the regulated community. Therefore, federal funds cannot be used to establish a cash fund reserve. Federal funds are distributed to each sector which does offset the need for higher fees.
	49	Need more informaton.	Comment noted.
	50	Clarify that once the 16.5% balance is achieved, this will no longer be part of the fee except to replenish 16.5% when needed. Should federal fund ratio be increased to share in this cost?	Federal funds cannot be increased. Once the 16.5% balance is achieved this part of the fee could be removed.
	51	How would this 2 month reserve be developed?	This reserve would be developed by increasing fees for each sector by 3.3% annually for five years.
Issue 1 - What is an appropriate effective date for fee increases?	52	Our budgets for 2017 are already set in stone.	Comment noted.
	53	The turnover in staffing is getting old. Lets get enough funding for the program to retain staff.	The department agrees that having a stable funding base would help address employee retention.
	54	For those who rely on public entities and/or ratepayers for their revenue, sufficient time must be given to enable those entities to adjust their budgets accordingly.	Comment noted.
	55	This answer depends on how exactly fee increases will be achieved.	Comment noted.
	56	2017 budgets have already been set. Our budget year is a calendar year.	Comment noted.
Issue 2 - If your sector faces a fee increase, should that fee increase be phased over multiple years?	57	It depends on how big the increase is. The larger the increase, the more years it should be phased over	Comment noted.
	58	If it below, say 5% no; if yes, then no more than a 5% increase year over year to the appropriate funding level. Could also be based off size of company. I could handle a larger increase, but I'm not a utility relying on consumers to pay for a service.	Comment noted.
	59	Over 3 years at a minimum.	Comment noted.
	60	3 to 5 years	Comment noted.
	61	Upon developing a consensus proposal, WQCD should repose this question to stakeholders.	Comment noted.
	62	2 years. Phasing may not be necessary if the magnitude of the fee increase is not significant..	comment noted.



Recommendation	No.	Comment	Response
Issue 3 - If sector specific General Fund/cash funds ratios are set in statute how favorably would you view a clause in the statute that after a 5-year period cash fees would automatically adjust based on the General Fund/cash fund ratio? This clause could result in cash fee increases or decreases that vary annually.	63	We would prefer predictability.	Comment noted.
	64	With a max % of increase.	Comment noted.
	65	Automatic tax increases are destructive for effective cost management.	Comment noted.
	66	Nothing should be automatic with regard to the fee program. As noted above, certainty is critical for the regulated community. In addition, there must be the opportunity for oversight to ensure that there is efficient and effective use of funds.	Comment noted.
Issue 4 - How favorably would you view fees remaining in statute with a defined cap on fees that could not be increased without legislative approval? This option would allow the department or Water Quality Control Commission to establish minor fee changes within the statutory cap.	67	Wait until after the initial five year test is complete to decide if this is appropriate.	Comment noted.
	68	This conflicts with Recommendation 1 to keep fees in statute. It is not clear how this type of program would work through existing budget and or AQCC processes.	Comment noted.
	69	Very clear definition is needed on what a minor fee change is...	Comment noted.
	70	Provided that the ratio nonsense is dropped and a statutory min is begun starting with how much general fund is currently in the program is adopted by bill	Comment noted.
	71	This would required some legislative consideration on further taxing clean water.	Comment noted.
	72	We are generally in support of this idea, but would like to see more information on how this works in practice. What would the definition of "minor" be, how are changes in fees distributed fairly across sectors, does this plan require public participation every five years and what does that look like?	Minor would be defined by the amount under the cap that is needed to cover the direct and indirect cost for each sector as defined by the annual budget. It is assumed that the department will conduct a similar stakeholder process for future fee review periods.
	73	While fee increases will likely be necessary, they will be less objectionable if general fund contributions are consistent, federal funds are used to mitigate fee increases, and ongoing oversight is maintained. All adjustments should be transparent and supported by data.	Cash, General and federal funds are the collective source of all funds for the division. Though federal funds are not up for discussion as part of this process, they have been included for full transparency.
	74	This would be a total diversion from the route that we've consistently agreed upon going. My organization would oppose any fee authority being conferred to the Commission	Comment noted.
Do you have other feedback or a different policy recommendation or issue that needs discussed? Please describe.	75	Too uncertain - would require a cap on increases considered in Issue 2.	Comment noted.
	76	This conflicts with Recommendation 1 to keep fees in statute. It is not clear how this type of program would work through existing budget and or AQCC processes.	Comment noted.
	77	We need to retain employees in the division.	The department agrees that having a stable funding base would help address employee retention.
	78	We have to get a statutory minimum in statute as a condition for a fee increase. early notice from OSPB and the CDPHE about fee increases has to be mandatory. there has to be a lean program review every three years and an audit committee review every 5 years. If ratios remain then they have to be equal among sectors or a 40-60 percent bandwidth adopted.	Comment noted.
	79	THE DEPARTMENT SHALL CONDUCT A STAKEHOLDER PROCESS REGARDING THE APPROPRIATE AND NECESSARY FEES THAT EACH SUBCATEGORY OF EACH SECTOR SHOULD PAY TO ENABLE EACH SECTOR TO BE ADEQUATELY FUNDED BY FEES COLLECTED FROM THAT SECTOR.	Comment noted.
	80	There have been incremental increases in available funds for the reclaimed water program that don't seem tied to fees. Transparency within the sectors would help. Also, while input has been sought on how those funds are spent, that input has not affected where funding goes and the process seems to be exclusive.	Comment noted.
	81	Non-permittees should also be funding for services that they receive. For example, participation in public hearings, requests for information, etc.	General Fund, cash funds and federal funds support all services the Clean Water Program provides to permittees and non-permittees.



Recommendation	No.	Comment	Response
	82	Stay the course. After all the stakeholder meetings and discussions, there have been many common themes and (more importantly) and general agreement that each sector should 1) pay its own way and; 2) be funded with combination of FF/GF/CF in a ratio that is consistent across all sectors. Only the misguided direction of a JBC analyst have diverted everyone else off that path, and it is important that we remain true to it. If the Division proposes a bill that rebalances fees in proportion, we will support it - even if it means our sector increases. Consistency is important. Coming up with yet another new scheme instead of sticking with the path we are on would guarantee yet another year of no progress.	Comment noted.
	83	Have other fee structures been considered? Has the Division looked at how the other Divisions within CDPHE collect permit-related fees? While maybe not directly applicable, has the Division looked at how fees in other state clean water programs are collected?	Modernizing the fee structure was discussed in Phase I of the stakeholder process and did not receive favorable support from stakeholders.
How favorably do you view the 5-year forecast that was used to establish the starting scenario of fee changes?	84	Don't agree with first assumption	The first assumption is an escalation factor based on consumer price index data. At this time the department has not received input on an alternate method to develop a forecast.
	85	Do not agree with first assumption.	The first assumption is an escalation factor based on consumer price index data. At this time the department has not received input on an alternate method to develop a forecast.
	86	Better cost management in needed to operate within the limits of existing revenues.	Comment noted.
	87	5-year forecast that meets in the intent of HB16-1413.	Comment noted.
	88	Neutral: I don't know enough to support or oppose the forecast.	Comment noted.
	89	Additional information and discussion is necessary to ensure that the assumptions used are appropriate. As noted above, use of federal funds to establish the reserve fund would alter the assumptions.	All assumptions for the forecast were documented in a spreadsheet available on the department's website. Federal funds have been included for information purposes.
	90	Process difficult to understand. Cannot easily track back through calculations and understand if applied properly. The columns on the effect of HB 1413 need more explanation.	Comment noted.
Comment on starting scenario (as needed).	91	There is no good policy argument for not making the ratios equal between sectors. or said another way, all the sectors can make a good argument for why they deserve general funds, The spread between 25 and 75 percent will be too large and at 75 percent the C&I sector faces a 150 percent increase in fees. That is a total no starter. You will have a GIANT fight on your hands with multiple companies trying to kill the bill. This is your Dr. Phil moment to ask "what were we thinkin?"	The purpose of the starting scenario was to introduce the concept of General Fund to cash funds ratio by sector and for stakeholders to provide feedback on what the is appropriate ratio of General Fund to cash funds for their sector. At this time the department does has not recommended a percentage fee change by sector. We will be seeking feedback during the final two stakeholder meetings on fee changes.
	92	Better cost management in needed to operate within the limits of existing revenues. Too volatile for changes.	Comment noted.
	93	As stated by the Division presentation to the Colorado Stormwater Council on June 22, 2016, this starting scenario meets the intent of the legislature and these ratios calculate the appropriate and necessary fees that each subcategory of each sector should pay to enable each sector to be adequately funded by fees collected by from that sector.	At the June 22, 2016 Colorado Stormwater Council division staff stated that the 5-year forecast was the appropriate and necessary spending authority from which to base a fee change recommendation. The purpose of the starting scenario was to introduce the concept of General Fund to cash funds ratio by sector and for stakeholders to provide feedback on what the is appropriate ratio of General Fund to cash funds for their sector. At this time the department does has not recommended a percentage fee change by sector. We will be seeking feedback during the final two stakeholder meetings on fee changes.

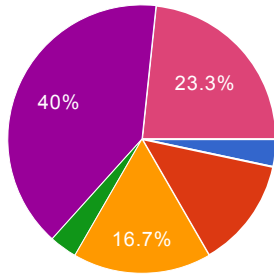


Recommendation	No.	Comment	Response
	94	At the June 22, 2016 Colorado Stormwater Council division staff stated that the 5-year forecast was the appropriate and necessary spending authority from which to base a fee change recommendation. The purpose of the starting scenario was to introduce the concept of General Fund to cash funds ratio by sector and for stakeholders to provide feedback on what the is appropriate ratio of General Fund to cash funds for their sector. At this time the department does has not recommended a percentage fee change by sector. We will be seeking feedback during the final two stakeholder meetings on fee changes.	Comment noted.
	95	Biased question because it only requests favorable responses.	Comment noted.
	96	It is not at all clear why these ratios 1) do not include federal funding, and 2) are inconsistent across each sector.	Different scenarios will be discussed at the 2nd stakeholder meeting.
	97	The starting scenario does not appear to properly reflect current funding levels and therefore is misleading regarding how each sector is to be funded. The starting scenario would have been more helpful if it had used the current funding mix in the spreadsheet. It could have included the first three quarters of actual data and a projection of the fourth quarter. We need to understand the actual difference in fees we will pay for our permits before supporting this or other ratios.	Comment noted.
	98	This Staff Recommendation conflicts with Recommendation 1 to keep fees in statute and was developed without input from stakeholders in a manner that disregarded prior efforts of stakeholders and the division on HB-15-1249. Furthermore, the ratios were developed without stakeholder input per an arbitrary public/private benefit sliding scale that is not accurately reflect the benefits and beneficiaries of each CWP sectors' operations.	Comment noted.
	99	All sectors should be treated the same and all pay the same percentage.	Comment noted.
	100	50/50 for Commerce and Industry	Comment noted.

Meeting 2 Feedback 30 responses

Summary

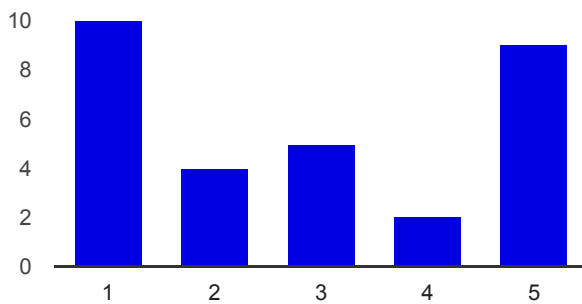
What sector do you represent? (if applicable)



Construction	1	3.3%
Commerce & Industry	4	13.3%
MS4	5	16.7%
Pesticides	1	3.3%
Public & Private Utilities	12	40%
WQ Certifications (401)	0	0%
Other	7	23.3%

SCENARIOS - General Fund/cash fund ratios

Scenario 2 - Resolve the deficit based on current General Fund to cash fund ratios



least favorable: 1	10	33.3%
2	4	13.3%

	3	5	16.7%
	4	2	6.7%
most favorable:	5	9	30%

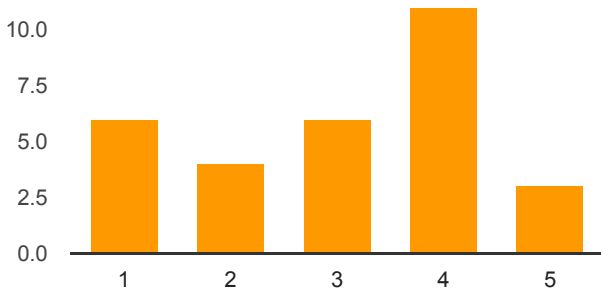
Comment (if applicable)

Not sure what why this is a "deficit". The General Fund should be used to pay a portion of the program.

The current ratios don't make sense. For instance, the General Fund costs (col. C) are currently 35% of the total cost (col. C+D), yet the percentage listed in col. I is 58%. This appears to be an "apples and oranges" comparison. We believe the scenarios offered and the math behind them are unnecessarily complex, making it impossible to support any scenario. We recommend that a scenario be developed based on actual expenditures and budgets for the 2015-2016 year. The handout at Meeting #1 should be updated to include actual 4th quarter budgets and expenditures. A reasonable scenario would be to identify the sector surpluses or deficits, then define the re-allocation by sector that would result in a 50/50 funding distribution between General and Cash, plus any additional funding from both needed to meet calculated sector deficits. Surpluses in a sector could be reallocated to the sectors with deficits. This would provide an easily understand baseline that could then have the indirect, POTS, carryover fund balance, and inflation factor adjustments added to generate 5-year average projections. This baseline would then provide a meaningful comparison of current versus projected Cash funding for each sector.

Fee increases for C&I are too high under this scenario. It is extremely difficult to justify increased fees at this level with no promise of increased services.

Scenario 3 - Resolve the deficit through 50/50 General Fund to cash fund ratios for C&I, MS4, PPU



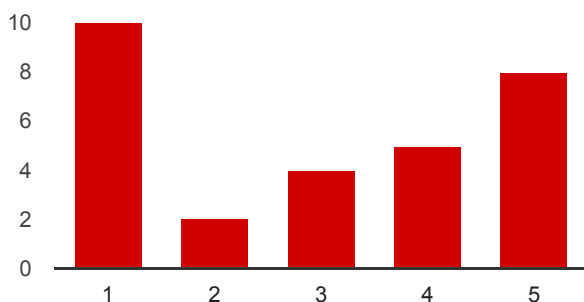
least favorable:	1	6	20%
	2	4	13.3%
	3	6	20%
	4	11	36.7%
most favorable:	5	3	10%

Comment (if applicable)

While we would be less than enthusiastic about any fee increase without additional services, we understand this may be the most palatable option for the JBC and the General Assembly and would therefore have the most support of passing within a budget process.

a. Comment: This scenario appears to have the largest impact to the City's current fees, with an overall increase of 31%. Also see Scenario 2 comment regarding creation of a new baseline balanced scenario.

Fee increases for C&I are too high under this scenario. It is extremely difficult to justify increased fees at this level with no promise of increased services.

Scenario 4 - Resolve deficit with all General Fund.

least favorable: 1	10	34.5%
	2	6.9%
	3	13.8%
	4	17.2%
most favorable: 5	8	27.6%

Comment (if applicable)

Several years ago the WQCD hired quite a few new FTE and now can't pay for them. You have to learn to live within your financial means, like the rest of us do. No offense meant but these increasing fees hurt our rate payers. They don't get pay raises like this to be able to afford higher drinking water and wastewater treatment rates.

I don't understand how the fees (cash fund) would go up by 16% as shown on Handout #8 if the deficit is being resolved wholly by the General Fund. Please explain. Also, this probably isn't a reasonable request for the potential impact to the state budget and therefore would get less support from the JBC.

This scenario will have the smallest, though significant, impact on the City's fees (16% increase for the MS4 and P/P Util sectors combined). However, please explain why P/P Util fees will increase overall by \$359,807 when the deficit is funded by the General Fund and only by \$74,797 when current spending ratios are used. The original proposal at the first meeting had

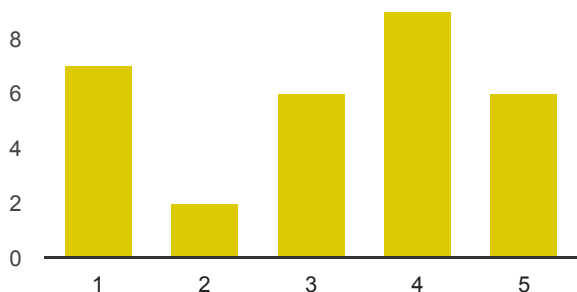
total P/P Util fees dropping by 28% and the MS4 fees dropping by 26%. Why is that proposal no longer being considered? Also see Scenario 2 comment regarding creation of a new baseline balanced scenario.

Question: Within the new spreadsheets (FY2015-16 Year End Report Spreadsheets + FY-2016-17 Budget), how is the administrative line item in the budget accounted for in these spreadsheets? Shouldn't the administrative line item remain constant, or at a maximum, adjust commensurate with the marginal changes in total FTE that would occur at specific funding levels? Does the WQCD believe that the administrative line item must grow commensurate with the increases that this process is otherwise attempting to achieve to maintain CWP operations? -- While resolving the entirety of the CWP's budgetary needs with General Funds would likely be very difficult to advance politically given the existing budgetary pressures, an increased level of General Fund support will be needed to decrease the permit fee % increases in some sectors, and particularly in the C&I sector. Understanding what level of General Fund investment is required to implement each of the Scenarios 2, 3, and 4 as depicted in the most recently provided "Handout 3" will be an important step toward helping all stakeholders understand the range of options and political considerations associated with each. It is not unreasonable that sectors including private industry operators would receive increased levels of General Fund support due to the fact that private industry is a significant drivers/generators of General Fund revenues in the state of Colorado, particularly compared to other CWP sectors. Furthermore, the final legislative report and recommendations of this stakeholder process delivers to the legislature should recommend that the legislature act to require the following: 1) that the legislative audit committee conduct a formal audit of the Clean Water Program, 2) that a "Lean Program" review of the CWP program administration/operations be conducted, aimed at identifying best practices, opportunities to increase efficiencies, and elements of permitting review, renewal, and oversight that can be expedited or streamlined at no cost to the program or regulated permittees; 3) as part of efforts aimed at identifying opportunities to increase efficiencies, the WQCD shall work to implement existing statutory and regulatory directives to develop and utilize a "risk based" approach to permit renewal. Per CRS-25-8-501(3)(j) and Discharge Permit System Regulation No. 61.1(5) which was adopted by the WQCC, the Division ought to work to identify criteria for determining which permits can be reissued with minimal or no change and then limit the amount of work required to renew permits that have minimal or no changes and meet the established criteria. -- 61.1(5) RISK BASED PERMIT RENEWAL For any permit, at the time of permit renewal, the Division shall use a risk-based approach applied to the receiving water(s) that considers the most recent water quality/quantity information, information in the renewal application, and any other relevant information, to determine whether the permit can be reissued with minimal or no change. The Division shall establish criteria by which this determination will be made and shall update those criteria at a minimum of every five years or as directed by the Commission.

Would like to see additional GF \$ for Commerce and Industry so the fee increase is more in line with PPU's and MS4s.

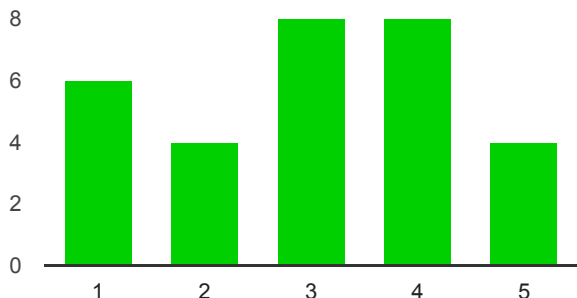
Fee cap: The department would like your feedback regarding a 20% cash fee cap for each sector. How favorably would you view cash fees remaining in statute with a defined cap on cash fees that could not be increased without legislative approval?

This option would allow the department or Water Quality Control Commission to establish minor cash fee changes within the statutory cap.



least favorable: 1	7	23.3%
	2	6.7%
	3	20%
	4	30%
most favorable: 5	6	20%

How favorably do you view the Water Quality Control Commission setting minor cash fee changes within a statutory cap?



least favorable: 1	6	20%
	4	13.3%
	8	26.7%
	8	26.7%
most favorable: 5	4	13.3%

Comment (if applicable)

Completely oppose these concepts.

Gives them some added flexibility without needing to go to legislature.

Fees shall remain in statute. No exceptions. Maybe a 10% Fee cap could be more reasonable rather than a 20% increase, but would require public comment and hearings with the Water Quality Control Commission (WQCC). This proposal should be vetted with stakeholders.

We feel that 20% change could be excessive. If the cap were to be set at 10%, we could give this answer a "4".

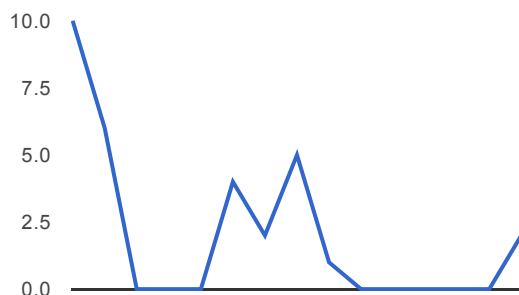
a. Some minor increase in fees could be allowed without going back to the legislature, but 20% is too much given that funding 16.5% program balance is already included in the fees along with a very high inflation increase of 4% per year. It is recommended that the total cap (including the 3.3%/year fund balance) not exceed 10%.

More efficient & provides some certainty.

A proposal to insert a fee cap into statute and or allow the WQCC to set fees runs contrary to the primary assumption for his process that "fees remain in statute." The legislature should retain its primary role in leading efforts to consider and debate the merits of fee change proposals that the Division has developed in coordination with the regulated permittee community. Retaining specific fees in statute is critical to preserving the legislature's lead role in this process. Additionally, the supplemental budget request process exists to aid Colorado's state agencies and their divisions respond to marginal fluctuations in their revenues and expenditures that occur throughout each fiscal year.

Need a definition of "minor" for more discussion

Number of daily responses



Appendix E

Sign in sheets





COLORADO

Department of Public Health & Environment

Water Quality Control Division

CW Fees
DATE/TIME: 5-18-16 1-3pm

PARTICIPANT NAME	COMPANY/ORGANIZATION	PHONE	EMAIL NOTIFICATIONS	
			Emailed about this meeting? (yes/no)	If NO - enter email for notification of future meetings
Tom Repp	DOUGLAS CO		YES	
Doc Nyiro	Waste Management	303 486-6034	NO No	dnyiro@wm.com
Lisa Hollander	Metco Wastewater	303 286 3464	Yes	
Denis Rodriguez	Broomfield	3/464-5648	yes	
Dianna Ong	CMA / AGNC	3/324 885	No	dianna@ortco.net
Pam Acre	Northgenn	3/450-8792	yes	
Rick Willard	CDOT	3/757-9343	yes	richard.willard@state.co.us
Joe Strick	AVARCA WATER	3/250-5987	✓	
Jill Piatt Kemper	"	3/739-7390	yes	
Dan O'Connell	CACI	720-708-8752	yes	✓
Steve Miller	Windsor County	3-795-4578	Y	
Colleen Young	Freeley Water & Sewer	-970-358-9846	yes	
Amy Robertson	Tri-State	3-503-6972	yes	



COLORADO

Department of Public Health & Environment

Water Quality Control Division

DATE/TIME: CWFEES 5-18-16 1:30pm

PARTICIPANT NAME	COMPANY/ORGANIZATION	PHONE	EMAIL NOTIFICATIONS	
			Emailed about this meeting? (yes/no)	If NO - enter email for notification of future meetings
Mary Fabisiak	Westminster		Y	
Nick Pappas	Dodge Co		✓	
Tami Moon	Northglenn		NO	tmoon@northglenn.org
Richard Lega	Aurora		yes	
James Boswell	Thornton		yes	
Steve Bell	Fiore & Sons		yes	sbell@fioreandsons.com
Carl Larson	WMCANA/Aurora Water		yes	
Sara Boyd	Colorado Petrol Assoc		yes	Sara@coloradopetroleumassociation.org
John Saturley	Littleton/Englewood WTP		no	jsaturley@englewoodgov.org

Timestamp	Participant Name	Company/Organization	Phone	Were you emailed about this meeting?	Enter Email Address to be Advised of Future Meetings
5/18/2016 12:57:04	Brandon Simao	Kraemer North America	303-356-3001	Yes	
5/18/2016 12:57:55	Jessica Freeman	Colorado Agricultural Aviation Association	970-217-5293	Yes	
5/18/2016 12:59:01	Bonnie Pierce	City of Fort Collins	970-416-4255	Yes	
5/18/2016 13:02:04	Justine Shepherd	Vranesh and Raisch, LLP	303-443-6151	Yes	
5/18/2016 13:02:34	Aaron Repp	Arapahoe County Public Airport Authority	303-218-2922	Yes	
5/18/2016 13:06:32	Jennifer Webster	Pioneer Natural Resources	303 916 1694	No	
5/18/2016 13:06:55	Mike Harris	CDPHE/WQCD		Yes	
5/18/2016 13:08:10	Glenda DeBekker	City of Canon City	719-276-5265	Yes	
5/18/2016 13:10:13	Christine Johnston	Xcel Energy	303-294-2224	Yes	
5/18/2016 13:13:55	Ginny Johnson	Colorado Springs Utilities	7196684375	Yes	
5/18/2016 14:34:35	Nancy Klootwyk	Southern Ute Growth Fund SECMG	970-764-6483	Yes	



Meeting: CW Fees Phase III Mtg 2
 Date/Time: 7-19-16 1-4 pm

Participant Name	Company/Organization	Phone	Email Notifications	
			Emailed? (Y or N)	If NO - enter email for email notifications
CARL Larson	AVISTA/Waste Management/CARA		Y	
Lisa Hollander	MWRD		✓	
Nick Pijers	Douglas County		✓	
Rob Fleck	SUSD			
Don O'Connell	CACI		✓	
Megan Dausser	JBC		N	
Tom RIPP	Douglas County		✓	
Pam Acize	Northglenn		✓	
JOE STBRICK	AVISTA WATER		✓	
Jill Platt Kemper	" "		✓	
Amy Robertson	Tri-State		✓	
Steve Mills	Arapahoe County		✓	
Marymahn	(Capitol Hill)		✓	
Richard O'Neil	CMA		✓	
Doc Nyiro	Waste Management		✓	
TODD OHNEISEN	CSSCA		X	

Timestamp	Participant Name	Company/Organization	Phone	Were you emailed about this meeting?	Enter Email Address to be Advised of Future Meetings
7/19/2016 12:57:25	Justine Shepherd	Vranesh and Raisch, LLP		Yes	
7/19/2016 13:05:27	bret icenogle	cdphe/wqcd	303-692-3278	Yes	
7/19/2016 13:05:29	Bonnie Pierce	City of Fort Collins	970-416-4255	Yes	
7/19/2016 13:06:36	Jason Hunter	Aspect Petro		No	
7/19/2016 13:06:53	Karen Behne	Niwot Sanitation District	303-652-2525	Yes	
7/19/2016 13:07:09	Aaron Repp	Arapahoe County Public Airport Authority	303-218-2922	Yes	
7/19/2016 13:07:12	Jamee Allen	Climax Molybdenum		No	
7/19/2016 13:10:16	Ginny Johnson	Colorado Springs Utilities	7196684375	Yes	
7/19/2016 13:41:52	Brandy DeLange	Colorado Counties Inc	3039104297	No	



Meeting: Phase III Mtg. 3
Date/Time: 8-4-16 2-4pm

Participant Name	Company/Organization	Phone	Email Notifications	
			Emailed? (Y or N)	If NO - enter email for email notifications
Tom Repp	Douco		Y	
Keith Pass	DIA		Y	
Leza Hollander	Metro Waterworks		✓	
Nick	Doug Co		✓	
Carl	Carson		✓	
Dan	O'Connell		✓	
Toby Rees	CRMCA/CSSGA		✓	
Dennis Rodriguez	Broomfield		X	
Jill Brett Kemper	Aurora		✓	
James Allen	Clinal Molybdenum		✓	james jallen1@fmi.com
Christine Johnston	Xcel energy		Y	
Steve Miller	Arapahoe County		Y	
R Dial	OSPB			
M. Stumm	Xcel		✓	
Dianne Wolf	CMA		✓	dianne@sfcs.net
Amy Robertson	Tri-State		✓	



COLORADO
Water Quality Control Division
Department of Public Health & Environment

Meeting: Phase III Mtg 3
Date/Time: 8-4-16 2-4pm

Participant Name	Company/Organization	Phone	Email Notifications	
			Emailed? (Y or N)	If NO - enter email for email notifications
James Boswell	City of Thornton		Y	
Doc Nyiro	Waste Management	3-944-7526	Y	
Justine Shephard	Vannest & Rausch		Y	



COLORADO
Water Quality Control Division
Department of Public Health & Environment

Meeting: Phase III Mtg. 3
Date/Time: 8-4-16 2-4pm

Participant Name	Company/Organization	Phone	Email Notifications	
			Emailed? (Y or N)	If NO - enter email for email notifications
Megan Davison	JBC		N	

Timestamp	Participant Name	Company/Organization	Phone	Were you emailed about this meeting?	Enter Email Address to be Advised of Future Meetings
8/4/2016 13:55:04	Richard Orf	Orf & Orf PC	303885905	No	richard@orfco.net
8/4/2016 13:59:12	Aaron Repp	Arapahoe County Public Airport Authority	3032182922	Yes	
8/4/2016 13:59:26	Bonnie Pierce, Ph.	City of Fort Collins	9704164255	No	
8/4/2016 14:04:30	bret icenogle	cdphe/wqcd	7204258608	Yes	
8/4/2016 14:12:13	Ginny Johnson	Colorado Springs Utilities	7196684375	Yes	

Appendix F

Correspondence





CACI COLORADO ASSOCIATION
OF COMMERCE & INDUSTRY

June 30, 2016

Patrick Pfaltzgraff, Division Director
Water Quality Control Division
Colorado Department of Public Health and Environment
4300 Cherry Creek Drive South
Denver, Colorado 80246

RE: Clean Water Program Permit Fee Structure Stakeholder Process, June 30th Feedback

Dear Director Patrick Pfaltzgraff,

The Colorado Association of Commerce & Industry (CACI) is the State Chamber of Commerce, representing hundreds of businesses of all sizes and industries across the state, as well as trade associations, economic development organizations, and local chambers of commerce. On behalf of our members, CACI has been participating in the Water Quality Control Division's (WQCD) Clean Water Program (CWP) Fee Structure Stakeholder Process.

Due to the nature of this issue and the structure of the online feedback survey, CACI feels it is necessary to communicate the following priorities and concerns of CACI and our impacted members regarding this process and potential changes to the Clean Water Program's permit fee structure:

1. CACI welcomes the WQCD "Policy Recommendation" that "fees remain in statute," as presented by WQCD leadership at the initial May 18th stakeholder meeting of this process (*see, [Slide 20, Clean Water Fee Bill Stakeholder Meeting Presentation, May 18, 2016](#)*). CACI continues to prioritize keeping the CWP's specific permit fee amounts defined in statute. This has long been the position of CACI's membership and CACI has consistently communicated this position throughout the three-plus years of stakeholder processes focused on potential changes to the program's permit fee structures and amounts.

Retaining fees in state statute provides regulated permittees certainty over time regarding the permit fee amounts that they are required to pay. Retaining statutory fee amounts also requires that the legislature openly debates critical policy changes associated with future changes to the CWP's permit fee structure, including but not limited to the fee amounts, appropriate levels of General Fund support for the CWP, the WQCD's accounting and transparency practices regarding program revenues and expenditures, and the WQCD's reporting to stakeholders and the legislature regarding the efficiency and performance of the Division in administering the CWP. CACI believes it is critical that regulated permittees responsible for paying permit fees have the opportunity to engage CDPHE, WQCD, industry stakeholder across the CWP's sectors, and legislators when proposals regarding potential changes to the CWP permit fee structure or fee amounts are being developed or advanced.

Recent and relevant legislative efforts surrounding HB-15-1249 and HB-16-1413, and the resulting increased levels of data collection, transparency, and reporting regarding WQCD's accounting of program revenues and expenses by CWP sector offer clear examples of the importance of open discussion and stakeholder dialogue that includes the regulated permittee community, the WQCD staff, and the legislature. CACI applauds the WQCD's efforts to respond to the statutory directives regarding data collection, transparency and reporting in both HB-15-1249 and HB-16-1413. The reporting of sector-by-sector CWP revenues and expenditures by fund type (General Fund, cash fund, and federal fund), and WQCD's work to communicate this data to stakeholders has been essential to the ongoing and productive discussions regarding potential changes to the CWP permit fee structure or fee amounts.

2. CACI does not oppose permit fee increases as a matter of principle, and remains open to considering permit fee structure proposals that include permit fee increases commensurate with justifiable funding needs necessary to maintain CWP operations. CACI also believes that within a statutory permit fee structure, the existing budgetary process and supplemental request processes provide adequate opportunity to the WQCD to submit needed General Fund adjustments on an annual or biannual basis to respond to marginal fluctuations in cash fund or federal fund revenues. Assuming that General Fund support for the CWP is maintained at current levels or adjusts up or down with cash fund revenues per an agreed upon target "Cash Fund-General Fund Revenue Ratio," and that the WQCD works with the regulated permittees across the CWP sectors to gain consensus support for the target revenue ratios and corresponding fee adjustments needed to address the existing operational deficit the Division now faces, CACI believes that the annual budget and supplemental processes provide the WQCD with meaningful opportunities to address future marginal fluctuations in CWP revenues.

3. General Fund appropriations dedicated to supporting the CWP should be maintained, if not increased, alongside potentially significant increases to CWP permit fee amounts. CACI also believes that state statute should set a statutory minimum annual General Fund appropriation for the CWP, set to FY-2016-2017 levels or higher.

The Colorado legislature should not take Colorado's clean water resources for granted, nor should the legislature seek to increasingly shift the cost burden of the CWP's administration onto the regulated permittee community. Clean water is essential to all aspects of life, commerce and industry throughout the State of Colorado. Clean water resources are also a principal element of the pristine natural environment that underlies Colorado's identity and culture, as well as our state's status as a national and international tourism destination for outdoor enthusiasts. Accordingly, the benefit of clean water resources to Colorado's general health, wellness, and environment is shared broadly throughout the state without limitation.

Furthermore, General Funds are not a "subsidy," and General Fund support for the CWP is in no way an undue corporate subsidy. General Funds are comprised of tax revenues collected from general state constituencies for the purpose of supporting programs and initiatives that preserve and augment public good throughout the state. Without question the CWP is such a program, as all Colorado citizens, all elements of Colorado's economy, and the preservation of Colorado's pristine environment depend directly upon the protection of our state's clean water resources. Accordingly, the Colorado legislature should recognize both the importance of Colorado's clean water resources and the shared benefit of these resources to all Coloradans by maintaining or increasing General Fund support for the CWP.

4. Every three (3) to five (5) years, the legislature, in coordination with the WQCD and the regulated CWP permittee stakeholders, should review the impact that changes to the CWP permit fee structure and fee amounts have generated on the CWP operations and stakeholders. Regular reviews on a three-year or five-year cycle will allow all vested stakeholders to analyze the impact that existing statutory policy is having on CWP operations, revenues and expenditures, and any specific policy goals defined in statute. Regular reviews will also provide the WQCD and regulated stakeholders a statutorily defined opportunity to work with the legislature to develop and advance new policy proposals to ensure that the statutory permit fee structure accurately reflects the operational realities of the CWP and the needs of CWP permittee stakeholders.

5. CACI believes that at least one year in advance of the initial statutorily required legislative review of the CWP permit fee structure, the legislature should act to require the following two actions: 1) a full audit of the CWP by the legislative Audit Committee, and 2) a Lean program performance review of the CWP to determine the effectiveness of the WQCD in administering the CWP and the degree to which the WQCD implements best practices aimed at achieving efficiencies in the permit application review and permit renewal processes. The WQCD should collaborate with the regulated community to identify best practices that are currently being utilized by similar regulatory programs in other states and or other regulatory permitting programs administered by CDPHE, and to identify the key considerations that should be addressed in the Lean performance review of the CWP's administration.

6. Regulated permittees that pay CWP permit fees should not bear the cost burden of "concerned citizen" challenges to CWP permit applications. Simply stated, any individual or entity that challenges a pending permit application during the public notice and comment period of the public permit review process so as to create increased workload demands on WQCD's CWP permitting staff should be subject to permit fees or "permit challenge" fees commensurate with the level of service that their permit application challenge generates. At best, the challenging party should be directly responsible for fees commensurate with the workload increase resulting from their permit challenge. At the very least, unfunded workload increases unrelated to the WQCD's review of pending permit applications exist as yet another reason that General Fund support for the CWP should be maintained or increased, as common sense and fairness dictate that neither an operator nor the broader regulated permittee community should be forced to bear the administrative cost burden associated with responding to permit challenges that are directly adverse to the interests of regulated operators.

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The following questions have been raised during CACI's internal stakeholder meetings focused on generating feedback regarding the WQCD "starting scenario" by June 30:

Regarding the current and future funding levels needed to support CWP operations:

Can the WQCD identify the specific amounts of total revenue and sector-by-sector revenue support that it projects it will require to operate the CWP:

- To maintain the current level of services?
- To maintain the current level of services throughout the next 3 or 5 years?

- To maintain the current level of services throughout the next 3 or 5 years and build the 16.5% revenue reserve?
- To maintain the current level of services throughout the next 3 or 5 years and achieve specifically identified policy goals?

***CACI believes that a clearer understanding of the funding levels required by the WQCD to administer the CWP and achieve specific policy goals - in the coming year and over time - is critical to ongoing discussions regarding how to amend the existing CWP permit fee structure and fee amounts. A precise understanding of WQCD's current and future funding needs – by revenue type – for CWP administration in total and by CWP sector will have a direct impact on efforts to calculate the revenue levels by revenue source needed to fund each sector. In effect, beginning with a precise understanding of the current and future funding levels required by the WQCD to administer the CWP will allow stakeholders to “work backward” from those amounts to understand what impact various “revenue ratios” could be utilized to achieve the defined funding needs, and what impact those ratios will have on each CWP sector's permit fee structure and fee amounts.

Regarding Federal Funds & the Interactive Clean Water Fee Tool:

How are federal funds accounted for by this tool?

Colorado's FY-2016-2017 budget includes spending authority for \$1,001,155 in Federal Funds across the six CWP sectors, including \$242,066 for the Commerce & Industry Sector and \$488,247 for the Public & Private Utilities Sector. Federal funds amount to approximately 16% of the total budgeted spending authority for the CWP, approximately 14.6% of the total budgeted spending authority for the C&I sector, and approximately 19% of the total budgeted spending authority for the P&PU sector. If nearly 16% of the total budget for the CWP is simply unaccounted for in the functionality of the interactive fee tool, it is impossible for stakeholders to gain an accurate understanding of the potential impact that different general fund and cash fund ratios for each CWP sector will generate on the fee amounts paid by each sector. The tool's failure to account for the fact that neither the Pesticides Sector or the Water Quality Certification Sector receive any General Funds further complicates the accuracy of the tool in helping stakeholders understand the impact of potential policy changes.

How does the WQCD plan to expressly account for federal revenue and expenditure levels and the impact that federal revenue and expenditure levels will have on the CWP's General Fund and Cash Fund revenue needs by CWP sector?

Are significant changes to the revenue sources used to fund operations for the Pesticides Sector or the Water Quality Certification Sector likely to occur?

At this point, neither of these sectors receive any General Fund support, and are primarily cash funded or supported by federal funds due to the nature of each sectors' operations. If a revenue ratio were to be applied to these sectors, as is being considered for the other CWP sectors, then the allocation of General Fund revenues to these sectors will have the effect of decreasing General Funds available to support the other four sectors. Therefore,

this would again increase the pressure to increase cash fund revenues from the remaining four sectors.

If CWP “fees remain in statute” is maintained as a WQCD policy recommendation and underlying assumption for this stakeholder process, is it necessary to also legislate revenue ratio requirements into statute? If such ratios were legislated into statute, how would these revenue ratios interact with permit fee amounts specifically defined in statute? And if revenue ratios were inserted into statute, what processes and timelines – legislative, budgetary, and regulatory – would be required to adjust permit fees and General Fund levels, and what entities would be directly involved in this process? What role would CWP permittee stakeholders play in this process?

Finally, CACI believes that it is important that the next steps of this stakeholder process work to clearly identify total revenue levels the WQCD requires to maintain CWP operations and or achieve additional specifically defined policy goals, and to also expressly identify what the appropriate General Fund, cash fund, and federal fund revenue target goals must be in order for each CWP sector to maintain CWP operations over time. While CACI is not prepared at this point in time to propose specific target levels of revenues to be achieved by revenue category (General Fund, cash fund, federal fund) within either the Commerce & Industry Sector or the Public & Private Utilities Sector, CACI believes that to the greatest extent possible, this process should seek to equitably balance the cost and revenue burdens across the various revenue categories, except where the existing structure and or express policy goals of a specific CWP sector dictate otherwise.

Thank you in advance for WQCD’s consideration of CACI’s comments regarding this pressing matter. If you have questions or concerns regarding this comment submission, please contact CACI Director of Government Affairs, Daniel O’Connell at 303-866-9622 or doconnell@cochamber.com.

Thank you,

A handwritten signature in blue ink, appearing to read "Daniel O'Connell".

Daniel O’Connell

CC: Karin McGowan, Deputy Executive Director, CDPHE
Michael Nicoletti, Legislative Liaison, CDPHE



STATE OF
COLORADO

Re: CWP - Feedback Deadline Extension ??

2 messages

Rowan, Nicole <nicole.rowan@state.co.us>

Mon, Aug 1, 2016 at 2:49 PM

To: Dan O'Connell <doconnell@cochamber.com>

Cc: "Pfaltzgraff - CDPHE, Patrick" <patrick.j.pfaltzgraff@state.co.us>, Sonja Vaught - CDPHE <sonja.vaught@state.co.us>, Rich Hull <rich.hull@state.co.us>, Meghan Trubee - CDPHE <meghan.trubee@state.co.us>

Hi Dan, see our responses to your questions below. The survey has closed, but I have reopened it for you and other CACI members. The link is here: LINK REMOVED, SURVEY NO LONGER AVAILABLE.

1. Status Quo - underlying assumptions

a.) Clarification regarding whether filling outstanding CWP staff vacancies are/ are not included in the projected funding numbers in today's handouts 1 and 2.

The department will fill all the outstanding vacancies that we can within our spending authority. If we are not successful in addressing the deficit shown in Handouts 1 and 2 we will likely have to keep 20 to 22 vacancies open so that we do not exceed our budget. Based on current projections, which are subject to change based on our federal allocation and other factors, if we are successful in addressing the deficit we will have to leave 5 to 7 positions vacant. We are currently holding 13 positions vacant. That means if we are successful in addressing the deficit we will be able to backfill 6 to 8 of the current positions we are holding vacant.

2. Status Quo - underlying assumptions

a.) Clarification of what assumptions are factored into the WQCD's understanding of the "status quo" level of services that can be "maintained" should this ongoing stakeholder process produce a proposal that helps WQCD overcome the identified budget deficit.

Over the past year and in our work planning for this year we have and will continue to support stakeholder efforts such as the Water Quality Forum and its work groups. This is in addition to our core work such as issuing permits, completing inspections, completing water quality assessments, water quality planning, serving as staff to the Water Quality Control Commission, providing compliance assistance, issuing enforcement actions and conducting site application and design reviews. In addition, the program works directly with the regulated community on developing proposals that result in regulatory relief such as:

- Discharger specific variances. In past year the department has worked with Suncor Energy on developing a discharge specific variance that will be reviewed by the Water Quality Control Commission in October 2016.
- The department is working with Mt. Emmons Mining Company on site specific standards that will be reviewed by the Water Quality Commission in June 2017.
- The department worked with Xcel Energy on a category 4B plan which is an alternative to a Total Maximum Daily Load and this was adopted by the Water Quality Control Commission in March of 2016.

If we are not successful in addressing our deficit we will have to focus solely on core work efforts.

b.) This overlaps with Question 1 to some degree, as whether staff vacancies are filled will have some impact on the level of services being maintained will increase or not.

See answer to question 1.

c.) Essentially this question is CACI members asking, if the budget deficit is overcome, and perhaps surpassed if the phased-in increases for CPI growth (2.3%/yr for 5 years) and building the fund reserve (2%/yr over 5 years) policy goals are factored in, what if any benefit will the regulated community experience in terms of the level of services it receives?

We anticipate that the CPI growth will cover increases for program staff salaries and benefits once we backfill the positions discussed in question 1 as costs increase over the next five years. We do not anticipate that the CPI increase will allow us to “grow” the program or increase services. It will allow us to maintain existing services discussed in the answer to question 2.a. The purpose of the fund reserve is allow for smooth transition between fiscal years as revenues catch up with expenditures on an annual basis. The fund reserve is not intended to be used for new services or to grow the program.

d.) I think CACI members understand that this conversation is more about overcoming the existing, identified budget deficit, but any information regarding what will be or will not be funded under the existing funding numbers being used in the handouts would be helpful.

See answers to questions 1, 2.a., 2.b., and 2.c.

3. Proposal Scenario “Runs”

a.) Can CWP staff complete the Multi-Colored FY-2015-16 Revenue and Expenditure tracking document with Q4 data and then use this sheet as the baseline for generating proposal scenario runs based on the actual spending data by sector?

The division is unable to complete the analysis based on actual spending data. See the explanation below.

i. If this is not a legitimate approach, please provide information regarding why “Actual” expenditure data from multi-color FY-2015-16 sheet is so different from approach taken in Handouts 1 and 2 from today’s meeting.

The division is sharing with all stakeholders an updated revenue and expenditure tracking document. It is important to note the update is still an estimate because we are currently working to close out the previous year. Please refer to the “Fiscal Year 2015-16 Year End Report” and “Fiscal Year 2016-17 Budget” information that is attached to this email. For fiscal year 2015-16, the program’s budget was \$11.8M but expenditures were \$9.9M. On the surface it appears that the program should be fine. However, the program only expended \$9.9M because our cash spending authority budget was more than the revenue received and we can’t spend more than the revenue we receive. In addition, the federal award was less than the budgeted amount. Another way to look at the issue is that the program had staff to support \$11.8M but only could spend \$9.9M. We have attempted to summarize how we addressed this issue on the “Fiscal Year 2015-16 Year End Report”:

- In the “deficit” portion of the 2015-16 report, we summarize the cash spending authority deficit by sector. This is the amount of money by sector that was not available because revenue generated was less than our budgeted spending authority. To address this portion of the deficit, the program held nearly every vacancy open that occurred during fiscal year 2015-16.
- The “deficit” portion of the 2015-16 report also summarizes the additional general fund money that was above and beyond was included in our budget. This general fund was provided with POTS funding from vacancy savings throughout other divisions within the department. In addition, for 2015-16 we received a one-time subsidy amount of General Fund. This was used to support the sectors.
- Finally, the “deficit” portion of the 2015-16 report summarizes the additional federal funds that were used above the \$1.4M we received for sector related work. We used a portion of this year’s federal funds to support the program as well as funds that are typically used for operating, travel and monitoring.

Another way to look at the deficit is to look at the changes between fiscal years 2015-16 and 2016-17 summarized in the “Fiscal Year 2016-17 Budget”. Cash spending authority, federal spending authority and general fund were reduced so that our budget reflects expected revenue. For Commerce & Industry, MS4 and Public and Private Utilities, cash spending authority was reduced by \$1.5M from fiscal year 2015-16 to 2016-17. HB16-1413 was intended to replace this spending authority plus the loss of the General Fund from the supplemental amount provided to the program for fiscal year 2015-16.

b.) Runs of different proposal scenarios and impact on each CWP sector’s cash fees based on actual spending amounts included in the multi-colored FY-2015-16 Revenue and Expenditure by CWP Sector Tracking Sheet.

Instead of the runs of different scenarios based on the actuals from 2015-16, we have updated potential fee changes based on the reducing indirect (27.5 to 25.5%), change to CPI (3.3 to 2 percent) and the fund balance (from 16 to 10 percent). See "Scenario Summary" that is attached to this email.

4. Proposal Scenarios:

1. Resolve deficit with cash funds
2. Resolve deficit based on current General Fund to cash fund ratios
3. Resolve deficit based on 50/50 GF to cash fund ratios for C&I, MS4, and PPU sectors
4. Resolve deficit with General Fund

a.) While this request is not indicative of CACI's support for one or any of these proposals at this point, it will be very helpful to see what runs look like using updated data based on "Actual" CWP needs and deficits by sector as identified by most recent accounting of "actual" revenue and expenditure data.

b.) It appears to CACI, after considering today's conversation and then comparing the data in the referenced multi-colored document with data from today's Handouts 1 + 2...that the "Actual" Expenditure data on the multi-colored FY-2015-16 tracking sheet is the most accurate reflection of each sectors revenues, expenditures, and sector deficits.

[See answers provided to question 3.](#)

b.) Regardless of bottom line funding in FY-2015-16 and potential expenditure "fungibility" across sectors, the "Actual" expenditure data should be as close to a reflection of the real/"actual" needs of each sector, as well as each sectors' revenues and expenditures by fund source.

[See answers provided to question 3.](#)

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Clean Water Program Manager



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**COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
WATER QUALITY CONTROL DIVISION
FISCAL YEAR 2016-17 BUDGET**

Total Expenditures:	FY2015-16	FY2016-17	HB16-1405	HB16-1413*	FY2016-17
	Budget	Changes	Budget	Budget	Total
Commerce and Industry	\$3,328,100	(\$561,120)	\$2,766,980	\$553,873	\$3,320,853
General Fund	\$780,215	\$402,906	\$1,183,122	\$553,873	\$1,736,995
Cash Fund	\$1,532,146	(\$282,459)	\$1,249,687	\$0	\$1,249,687
Federal Funds	\$1,015,739	(\$681,567)	\$334,172	\$0	\$334,172
Construction	\$1,927,961	\$662,491	\$2,590,452	\$0	\$2,590,452
General Fund	\$519,264	\$57,623	\$576,886	\$0	\$576,886
Cash Fund	\$933,201	\$921,308	\$1,854,508	\$0	\$1,854,508
Federal Funds	\$475,497	(\$316,439)	\$159,058	\$0	\$159,058
MS4	\$393,022	(\$97,575)	\$295,447	\$92,312	\$387,759
General Fund	\$116,777	(\$9,230)	\$107,547	\$92,312	\$199,859
Cash Fund	\$180,650	(\$41,981)	\$138,669	\$0	\$138,669
Federal Funds	\$95,596	(\$46,364)	\$49,231	\$0	\$49,231
Pesticide	\$202,212	(\$33,827)	\$168,385	\$0	\$168,385
General Fund	\$140,591	(\$140,591)	\$0	\$0	\$0
Cash Fund	\$61,621	(\$31,320)	\$30,301	\$0	\$30,301
Federal Funds	\$0	\$138,084	\$138,084	\$0	\$138,084
Public/Private Utilities	\$5,413,771	(\$1,553,000)	\$3,860,771	\$1,200,059	\$5,060,831
General Fund	\$1,653,445	\$246,070	\$1,899,515	\$1,200,059	\$3,099,575
Cash Fund	\$2,461,318	(\$1,174,253)	\$1,287,065	\$0	\$1,287,065
Federal Funds	\$1,299,008	(\$624,817)	\$674,191	\$0	\$674,191
WQ Certification	\$357,461	\$19,811	\$377,272	\$0	\$377,272
General Fund	\$31,314	(\$31,314)	\$0	\$0	\$0
Cash Fund	\$326,147	\$23,508	\$349,655	\$0	\$349,655
Federal Funds	\$0	\$27,617	\$27,617	\$0	\$27,617
General Fund Subsidy	\$245,457	(\$245,457)	\$0	\$0	\$0
General Fund	\$245,457	(\$245,457)	\$0	\$0	\$0
Cash Fund	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0
Total	\$11,867,984	(\$1,808,677)	\$10,059,307	\$1,846,244	\$11,905,551
General Fund	\$3,487,063	\$280,008	\$3,767,070	\$1,846,244	\$5,613,314
Cash Fund	\$5,495,082	(\$585,197)	\$4,909,885	\$0	\$4,909,885
Federal Funds	\$2,885,839	(\$1,503,487)	\$1,382,352	\$0	\$1,382,352

*HB16-1413 was a one time transfer of funds from the division's water quality improvement fund to the General Fund.

**COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
WATER QUALITY CONTROL DIVISION
FISCAL YEAR 2015-16 YEAR END REPORT**

Total Expenditures:	Total		Deficit			
	Budget	Est. Actual*	Cash	General Fund**	Federal***	Total
Commerce and Industry	\$3,328,100	\$2,605,109	(\$532,026)	(\$55,000)	(\$212,091)	(\$799,117)
General Fund	\$780,215	\$997,062	\$0	(\$55,000)	\$0	(\$55,000)
Cash Fund	\$1,532,146	\$1,000,120	(\$532,026)	\$0	\$0	(\$532,026)
Federal Funds	\$1,015,739	\$607,926	\$0	\$0	(\$212,091)	(\$212,091)
Construction	\$1,927,961	\$1,773,015	\$0	\$0	\$0	\$0
General Fund	\$519,264	\$291,751	\$0	\$0	\$0	\$0
Cash Fund	\$933,201	\$1,424,096	\$0	\$0	\$0	\$0
Federal Funds	\$475,497	\$57,168	\$0	\$0	\$0	\$0
MS4	\$393,022	\$355,637	(\$36,185)	(\$6,000)	(\$41,462)	(\$83,647)
General Fund	\$116,777	\$122,965	\$0	(\$6,000)	\$0	(\$6,000)
Cash Fund	\$180,650	\$144,465	(\$36,185)	\$0	\$0	(\$36,185)
Federal Funds	\$95,596	\$88,207	\$0	\$0	(\$41,462)	(\$41,462)
Pesticide	\$202,212	\$125,297	\$0	\$0	\$0	\$0
General Fund	\$140,591	\$114,572	\$0	\$0	\$0	\$0
Cash Fund	\$61,621	\$10,725	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Public/Private Utilities	\$5,413,771	\$4,671,213	(\$263,281)	(\$179,000)	(\$295,389)	(\$737,670)
General Fund	\$1,653,445	\$1,533,888	\$0	(\$179,000)	\$0	(\$179,000)
Cash Fund	\$2,461,318	\$2,198,037	(\$263,281)	\$0	\$0	(\$263,281)
Federal Funds	\$1,299,008	\$939,288	\$0	\$0	(\$295,389)	(\$295,389)
WQ Certification	\$357,461	\$161,308	\$0	\$0	\$0	\$0
General Fund	\$31,314	\$151,017	\$0	\$0	\$0	\$0
Cash Fund	\$326,147	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$10,291	\$0	\$0	\$0	\$0
General Fund Subsidy	\$245,457	\$245,495	\$0	(\$245,495)	\$0	(\$245,495)
General Fund	\$245,457	\$245,495	\$0	(\$245,495)	\$0	(\$245,495)
Cash Fund	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$11,867,984	\$9,937,074	(\$831,492)	(\$485,495)	(\$548,941)	(\$1,865,928)
General Fund	\$3,487,063	\$3,456,750	\$0	(\$485,495)	\$0	(\$485,495)
Cash Fund	\$5,495,082	\$4,777,443	(\$831,492)	\$0	\$0	(\$831,492)
Federal Funds	\$2,885,839	\$1,702,880	\$0	\$0	(\$548,941)	(\$548,941)

*Fiscal year 2015-16 has not officially closed. Actual expenditures are subject to change.

**The division received \$240,000 of additional general fund money that was above and beyond what was included in our budget. This general fund was provided with POTS funding from vacancy savings throughout other divisions within the department. This column summarizes how that \$240,000 was distributed among C&I, MS4, and PPU.

***The division only received \$1.4M in federal funds for sector related work. This column summarizes how federal money from this fiscal year plus federal money that was pulled from operating, travel and monitoring activities was distributed among C&I, MS4, PPU.



Handout 3

Comparison of fee changes by scenario

Clean Water Sectors	Scenario 2 Resolve deficit based on current General Fund to cash funds ratio for Commerce and Industry, MS4 and Public/Private Utilities sectors	Scenario 3 Resolve deficit through 50/50 General Fund to cash funds ratio for Commerce and Industry, MS4 and Public/Private Utilities sectors	Scenario 4 Resolve the deficit with General Fund
Commerce and Industry	65%	61%	7%
Construction	2.0%	2.0%	2.0%
MS4	46%	30%	6%
Pesticide	2.0%	2.0%	2.0%
Public/Private Utilities	-2.0%	22%	6%
WQ Certification	*	*	*

*The department recommends that Tier 1 and Tier 2 fees for water quality certifications be increased by 2% to build a fund balance for this sector over a 5-year period. Tier 3 and Tier 4 fees are based on recovering actual cost.

Appendix G

Cash fee increase summary



APPENDIX G CASH FEE INCREASES SUMMARY



WATER QUALITY CONTROL DIVISION
FISCAL YEAR 2017-18 BUDGET

Sector Budget:	Sector Line	HB16-1413 Replacement	Admin Line	POTS	Indirect	Total	
Commerce and Industry	\$1,655,088	\$362,402	\$207,612	\$413,766	\$669,509	\$3,308,377	
General Fund	\$798,649	\$70,788	\$88,482	\$206,883	\$297,025	\$1,461,827	
Cash Funds	\$577,824	\$291,614	\$88,482	\$206,883	\$297,025	\$1,461,827	
Federal Funds	\$278,615	\$0	\$30,648	\$0	\$75,460	\$384,723	
Construction	\$1,527,450	\$0	\$192,458	\$320,248	\$517,664	\$2,557,821	
General Fund	\$260,203	\$0	\$33,453	\$63,296	\$91,023	\$447,974	
Cash Funds	\$1,056,306	\$0	\$135,802	\$256,952	\$369,511	\$1,818,572	
Federal Funds	\$210,941	\$0	\$23,203	\$0	\$57,131	\$291,276	
MS4	\$178,666	\$60,400	\$22,357	\$48,586	\$78,649	\$388,658	
General Fund	\$61,745	\$41,281	\$9,363	\$24,293	\$34,854	\$171,535	
Cash Funds	\$83,906	\$19,119	\$9,363	\$24,293	\$34,854	\$171,535	
Federal Funds	\$33,015	\$0	\$3,632	\$0	\$8,942	\$45,588	
Pesticides	\$117,600	\$0	\$14,818	\$24,656	\$39,856	\$196,929	
General Fund	\$95,544	\$0	\$12,283	\$23,242	\$33,423	\$164,491	
Cash Funds	\$5,816	\$0	\$748	\$1,415	\$2,034	\$10,013	
Federal Funds	\$16,241	\$0	\$1,786	\$0	\$4,399	\$22,426	
Public/Private Utilities	\$2,339,153	\$785,205	\$292,720	\$635,071	\$1,028,030	\$5,080,179	
General Fund	\$739,359	\$607,083	\$122,629	\$317,536	\$455,585	\$2,242,191	
Cash Funds	\$1,168,320	\$178,122	\$122,629	\$317,536	\$455,585	\$2,242,191	
Federal Funds	\$431,474	\$0	\$47,462	\$0	\$116,860	\$595,796	
WQ Certifications	\$223,095	\$0	\$28,110	\$46,775	\$75,609	\$373,588	
General Fund	\$9,040	\$0	\$1,162	\$2,199	\$3,162	\$15,563	
Cash Funds	\$183,246	\$0	\$23,559	\$44,576	\$64,102	\$315,482	
Federal Funds	\$30,809	\$0	\$3,389	\$0	\$8,344	\$42,543	
Total	\$6,041,052	\$1,208,007	\$758,074	\$1,489,101	\$2,409,317	\$11,905,551	
General Fund	\$1,964,539	\$719,152	\$267,372	\$637,448	\$915,070	\$4,503,581	10.0%
Cash Funds	\$3,075,418	\$488,855	\$380,582	\$851,654	\$1,223,110	\$6,019,619	10.7%
Federal Funds	\$1,001,095	\$0	\$110,120	\$0	\$271,137	\$1,382,352	

Cash Fee Calculation	FY2017-18 Cash Spending Authority	5-Year Growth (7.1%)	Fund Balance (2%)	Total Cash Expenses	Projected Revenue	Cash Shortfall	Fee Increase
Commerce and Industry	\$1,461,827	\$103,790	\$31,312	\$1,596,929	\$994,800	\$602,129	61%
Construction	\$1,818,572	\$129,119	\$38,954	\$1,986,644	\$1,986,644	\$0	0%
MS4	\$171,535	\$12,179	\$3,674	\$187,388	\$144,465	\$42,923	30%
Pesticide	\$10,013	\$711	\$214	\$10,938	\$10,725	\$213	2%
Public/Private Utilities	\$2,242,191	\$159,196	\$48,028	\$2,449,415	\$2,011,418	\$437,996	22%
WQ Certifications	\$315,482	*	*	*	*	*	*

*For Water Quality Certifications, the department recommends that Tier 1 and Tier 2 fees for water quality certifications be increased by 2% to build a fund balance for this sector over five year period. Tier 3 and Tier 4 fees are based on recovering actual costs.

Appendix H

Funding request



Appendix H: Funding Request

	Item and Subtotal	General Fund	Cash Funds	Federal Funds
(5) WATER QUALITY CONTROL DIVISION				
(A) Administration				
Current FY 2016-17 Long Bill	\$1,986,533	\$548,464	\$379,565	\$1,058,504
Current House Bill 16-1413	\$0	\$0	\$0	\$0
Incremental Change	\$0	(\$62,569)	\$62,569	\$0
Recommendation	\$1,986,533	\$485,895	\$442,134	\$1,058,504
(B) Clean Water Sectors				
Commerce and Industry Sector				
Current FY 2016-17 Long Bill	\$1,655,148	\$687,209	\$725,873	\$242,066
Current House Bill 16-1413	\$362,402	\$362,402	\$0	\$0
Incremental Change	\$0	(\$180,174)	\$143,565	\$36,609
Recommendation	\$2,017,550	\$869,437	\$869,438	\$278,675
Construction Sector				
Current FY 2016-17 Long Bill	\$1,527,450	\$335,081	\$1,077,180	\$115,189
Current House Bill 16-1413	\$0	\$0	\$0	\$0
Incremental Change	\$0	(\$74,878)	(\$20,874)	\$95,752
Recommendation	\$1,527,450	\$260,203	\$1,056,306	\$210,941
Municipal Separate Storm Sewer System Sector				
Current FY 2016-17 Long Bill	\$178,666	\$62,468	\$80,545	\$35,653
Current House Bill 16-1413	\$60,400	\$60,400	\$0	\$0
Incremental Change	\$0	(\$19,842)	\$22,480	(\$2,638)
Recommendation	\$239,066	\$103,026	\$103,025	\$33,015
Pesticides Sector				
Current FY 2016-17 Long Bill	\$117,600	\$0	\$17,600	\$100,000
Current House Bill 16-1413	\$0	\$0	\$0	\$0
Incremental Change	\$0	\$95,543	(\$11,784)	(\$83,759)
Recommendation	\$117,600	\$95,543	\$5,816	\$16,241
Public and Private Utilities Sector				
*Current FY 2016-17 Long Bill	\$2,339,153	\$1,103,322	\$747,584	\$488,247
Current House Bill 16-1413	\$785,205	\$785,205	\$0	\$0
Incremental Change	\$0	(\$542,085)	\$598,858	(\$56,773)
Recommendation	\$3,124,358	\$1,346,442	\$1,346,442	\$431,474
Water Quality Certification Sector				
Current FY 2016-17 Long Bill	\$223,095	\$0	\$203,095	\$20,000
Current House Bill 16-1413	\$0	\$0	\$0	\$0
Incremental Change	\$0	\$9,040	(\$19,849)	\$10,809
Recommendation	\$223,095	\$9,040	\$183,246	\$30,809
Total Clean Water Sectors				
Current FY 2016-17 Long Bill	\$6,041,112	\$2,188,080	\$2,851,877	\$1,001,155
Current House Bill 16-1413	\$1,208,007	\$1,208,007	\$0	\$0
Incremental Change	\$0	(\$712,396)	\$712,396	\$0
Recommendation	\$7,249,119	\$2,683,691	\$3,564,273	\$1,001,155
*For the Public and Private Utilities Sector, the cash appropriation has been reduced by \$175,000 from the Biosolids Management Program Fund 1280 created in Section 30-20-110.5 (3), C.R.S., and \$60,000 from the Water Quality Control Fund 1200 created in Section 25-8-502 (1), C.R.S. for the On-site Wastewater Treatment Systems.				
Total DI Request by Fund Source	\$1,208,007	\$433,042	\$774,965	\$0

Appendix I

Cash flow summary



Appendix I: Cash Flow Summary

Fund #		Actual FY 2014-15	Actual FY 2015-16	Appropriated FY 2016-17	Requested FY 2017-18
2019	Commerce and Industry Sector				
	Beginning Fund Balance	\$0	\$0	\$0	\$0
	Revenue Total	\$0	\$0	\$994,800	\$1,596,929
	Expenses Total	\$0	\$0	\$994,800	\$1,561,025
	Net Cash Flow	\$0	\$0	\$0	\$35,904
2021	Construction Sector				
	Beginning Fund Balance	\$0	\$0	\$0	\$0
	Revenue Total	\$0	\$0	\$1,986,644	\$1,986,644
	Expenses Total	\$0	\$0	\$1,986,644	\$1,941,978
	Net Cash Flow	\$0	\$0	\$0	\$44,666
2023	Municipal Separate Storm Sewer System Sector				
	Beginning Fund Balance	\$0	\$0	\$0	\$0
	Revenue Total	\$0	\$0	\$144,465	\$187,388
	Expenses Total	\$0	\$0	\$144,465	\$183,175
	Net Cash Flow	\$0	\$0	\$0	\$4,213
2022	Pesticides Sector				
	Beginning Fund Balance	\$0	\$0	\$0	\$0
	Revenue Total	\$0	\$0	\$10,725	\$10,938
	Expenses Total	\$0	\$0	\$10,725	\$10,692
	Net Cash Flow	\$0	\$0	\$0	\$246
2024	Public and Private Utilities Sector				
	Beginning Fund Balance	\$0	\$0	\$0	\$0
	Revenue Total	\$0	\$0	\$2,011,418	\$2,449,415
	Expenses Total	\$0	\$0	\$2,011,418	\$2,394,345
	Net Cash Flow	\$0	\$0	\$0	\$55,070
2018	Water Quality Certification Sector				
	Beginning Fund Balance	\$0	\$0	\$0	\$0
	Revenue Total	\$0	\$0	\$309,296	\$315,482
	Expenses Total	\$0	\$0	\$309,296	\$308,389
	Net Cash Flow	\$0	\$0	\$0	\$7,093

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Public Health and Environment

Request Title

R-04 Rural Landfill Monitoring and Closure Assistance

Dept. Approval By: *[Signature]*

Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By: *[Signature]* 10/26/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$2,682,055	\$0	\$2,682,055	\$250,000	\$0
	FTE	22.2	0.0	22.2	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$2,682,055	\$0	\$2,682,055	\$250,000	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$2,682,055	\$0	\$2,682,055	\$250,000	\$0
	FTE	22.2	0.0	22.2	0.0	0.0
06. Hazardous Materials and Waste Management Division, (C) Solid Waste Control - Program Costs	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$2,682,055	\$0	\$2,682,055	\$250,000	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	<u>X</u>	No	<u> </u>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	<u> </u>	No	<u> </u>	
FF Letternote Text Revision Required?	Yes	<u> </u>	No	<u> </u>	
Requires Legislation?	Yes	<u> </u>	No	<u>X</u>	
Type of Request?	Department of Public Health and Environment Prioritized Request				
Interagency Approval or Related Schedule 13s	None				

R-04 Rural Landfill Monitoring and Closure Assistance, Letternote Revisions

06. Hazardous Materials and Waste Management Division, (C) Solid Waste Control - Program Costs:

a Of this amount, an estimated ~~\$2,414,576~~ **\$2,664,576** shall be from the Solid Waste Management Fund created in Section 30-20-118 (1), C.R.S., estimated \$140,000 shall be from the Hazardous Substance Response Fund created in Section 25-16-104.6 (1) (a), C.R.S., an estimated \$71,456 shall be from the Paint Stewardship Program Cash Fund created in Section 25-17-408, C.R.S., and an estimated \$56,023 shall be from various sources of cash funds.



COLORADO

Department of Public Health
and Environment

Priority: R-04
Rural Landfill Monitoring and Compliance Assistance
FY 2017-18 Change Request

Cost and FTE

- This request seeks \$250,000 in one-time Cash Fund spending authority from the Solid Waste Cash Fund for FY 2017-18 to improve environmental quality at rural landfills.

Current Program

- The Solid Waste and Materials Management Program oversees regulatory compliance for disposal of solid waste at landfills, waste tires, composting, waste grease, and the paint stewardship program in addition to oversight of various other solid wastes.
- The Program ensures landfills have adequate daily cover, prevention of ground water contamination, maintenance of pests and wind-blown litter, control of public access, and the improper burning of trash.

Problem or Opportunity

- There are approximately 22 small landfills in fifteen rural counties, with almost all of these landfills operating while significantly out of compliance.
- Many of these landfills received waivers from the Hazardous Materials and Waste Management Division (HMWMD) for the ground water monitoring and liner requirements; however, these waivers were granted based on old assumptions predicated on low waste volume equated to low risk to ground water.
- These assumptions have been proven false in recent years by the state of Wyoming.
- Wyoming found that 96% of their small rural landfills have measurable amounts of ground water contamination, and 91% have contamination above-ground water standards.

Consequences of Problem

- Consequences of non-compliance at these small rural landfills could include ground water contamination, nuisance conditions such as odor and wind-blown litter, lack of control of public access, vector occurrence (insects, rodents, birds, etc.), and improper burning of trash.

Proposed Solution

- The Department is requesting \$250,000 in one-time Cash Fund spending authority to assist rural local governments operating small landfills to either bring their landfill into compliance or close the landfill.
- Depending on which option the local government chooses, funding will either assist with the installation of ground water monitoring wells, or assist with closure of the landfill to a protected status.
- The basis of the requested \$250,000 is the ability of the Solid Waste Cash Fund to absorb the expenditure without necessitating a fee increase.
- The request also seeks roll forward authority in the event that all projects cannot be completed in FY 2017-18.



Department Priority: R-04
Request Detail: Rural Landfill Monitoring and Closure Assistance

Summary of Incremental Funding Change for FY 2017-18	Total Funds	Cash Funds
Rural Landfill Monitoring and Closure Assistance	\$250,000	\$250,000

Problem or Opportunity:

This request seeks one-time funding of \$250,000 Cash Fund spending authority from the Solid Waste Cash Fund for FY 2017-18 to assist rural local governments with environmental quality at rural landfills. The request also seeks roll forward authority in case projects are not completed by the end of FY 2017-18.

With the recent completion of the Integrated Solid Waste and Materials Management Plan for the State, the Hazardous Materials and Waste Management Division needs to address the challenge that small landfills have maintaining compliance with the three main categories of regulatory requirements for landfills. These challenges include:

1. Adequate ground water monitoring;
2. Adequate liners; and
3. Adequate daily operational activities.

A small landfill is defined as receiving less than 20 tons of waste per day. Colorado has approximately 22 small landfills in 15 rural counties. Almost all of the small landfills are operating significantly out of compliance. Nearly all of these landfills lack liners and none have ground water monitoring in place to ensure contaminants are not entering ground water. In addition, most of these landfills are not performing daily operational activities such as daily cover, pest removal, and litter mitigation. Many of these landfills received waivers from the Hazardous Materials and Waste Management Division (HMWMD) for the ground water monitoring and liner requirements. These waivers were granted many years ago based on outdated assumptions and inadequate technical justifications, and were erroneously predicated on the assumption that low waste volume equated to low risk to ground water. These assumptions have been proven false in recent years by the state of Wyoming¹. Wyoming's study found that 96 percent of their small rural landfills have measurable amounts of ground water contamination, and 91 percent have contamination above ground water standards. Consequences of non-compliance at these small rural landfills could include the following:

1. Ground water contamination;
2. Nuisance conditions such as odor and wind-blown litter;
3. Lack of control of public access;
4. Vector occurrence (insects, rodents, birds, etc.); and

5. Improper burning of trash.

Unfortunately, many, if not all, of these local governments lack the resources to either close the landfill or bring the landfill into compliance. Therefore, the Department is requesting \$250,000 Cash Funds to assist these local governments to close their landfill or to install ground water monitoring wells to determine if any ground water pollution exists. If pollution does exist, the monitoring will establish to what extent.

Proposed Solution:

The Department is requesting \$250,000 in one-time Cash Fund spending authority from the Solid Waste Cash Fund to assist rural local governments operating small landfills to either bring their landfill in to compliance or close the landfill. Additionally, this request seeks roll-forward spending authority to allow for the possibility that not all closure or monitoring well drilling projects will be complete by the end of FY 2017-18.

The \$250,000 request from the Solid Waste Cash Fund can be supported without necessitating a fee increase. The Department is working closely with impacted counties to develop plans for resolving the compliance issues in a way that is most advantageous to counties, while protecting public health.

Bringing their landfill into compliance will likely represent a cost-prohibitive financial hardship for many of the affected local governments. The new Integrated Solid and Materials Management Plan contains a section on the costs to operate a compliant landfill. The information is presented for five sizes of landfills - from micro to large. Many of the small landfills in Colorado where significant compliance problems occur are micro landfills. The plan presents a case study of two sizes of micro landfills. The plan estimates that the annual operating costs for the smaller of the two (1,500 tons of waste received/year; new cell = 1 acre) would be \$253,462/year, and the larger one (4,500 tons/year; new cell = 2 acres) would be \$439,304/year. These costs include personnel, equipment operations and maintenance, amortized equipment purchases, amortized new lined disposal cell and closure of old cell, set-asides for future closure costs, and other costs such as professional/engineering fees, environmental monitoring, utilities, insurance, etc. It would be nearly impossible for many of these small rural communities to generate this level of annual funding therefore, many of these landfills may close. Based on this analysis, the Department assumes at least half of the 22 landfills will choose closure. The program has estimated it will cost approximately \$50,000 to \$100,000 to close one of these small landfills to a protective status. Therefore, the Department is requesting this funding to assist these rural communities with closure costs.

If the local government chooses to upgrade their landfill and continue compliant operations, the Department will require installation of ground water monitoring wells to determine if any contamination has occurred. The Department assumes that three or four monitoring wells will need to be installed at each landfill. The cost per well varies depending on the depth of the water table, but estimates are that three or four wells will be needed at each landfill that decides to continue operations. The program estimates that these wells will cost about \$20,000 each.

The Department anticipates the possibility that not all closure or monitoring well drilling projects will be complete by the end of FY 2017-18. Given anticipated stakeholder input and the operational steps necessary to close a landfill or establish monitoring wells, the program would like to retain the flexibility to allow projects to cross into FY 2018-19.

Anticipated Outcomes:

Landfills operating out-of-compliance pose an environmental, health, and safety risk to the natural and human environment. For those counties choosing to keep their landfills operational, the greatest risk is to ground water, as contaminants from the non-compliant cells could reach ground water, resulting in plumes of contamination within the water supply. As a result, these rural counties would need to fund a remedial action to eliminate the source of the contamination, which could far exceed the cost of closure. Closing the landfill ensures no further waste is deposited in non-compliant cells and eliminates the need for testing and a potential remedial action. The requested \$250,000 will provide some financial assistance to assist rural local governments to close non-compliant landfills. Alternatively, if local governments want to upgrade their landfill, some funding for continued operations to install ground water monitoring wells would be available. Regardless of the decision made by the local governments to close or upgrade their landfill, the natural and human environment will improve.

Assumptions and Calculations:

This request for \$250,000 in one-time solid waste cash funds will assist local governments to remediate non-compliant landfills.

The \$250,000 cash fund contribution is based on the level of expenditures the solid waste cash fund can absorb without needing a fee increase. See attached schedule 9 for projections of the impact on the cash fund. The projected ending fund balance for FY 2017-18, shown below, includes the \$250,000 expenditure associated with this request.

Ending Fund Balance - Fund 1170 Solid Waste Management Fund			
FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
\$1,406,302	\$833,919	\$958,919	\$1,133,919

ⁱ Ground Water Impacts and Remediation Costs; Wyoming Municipal Solid Waste Disposal Facilities, Wyoming Department of Environmental Quality, June 30, 2010

Schedule 9A: Cash Funds Reports
 Department of Public Health and Environment
 FY 2017-18 Budget Request
 Fund 1170 - "Solid Waste Management Fund"
 30-20-118(2), C.R.S.

	Actual FY 2014-15	Actual FY 2015-16	Appropriated FY 2016-17	Requested FY 2017-18	Projected FY 2018-19	Projected FY 2019-20
Year Beginning Fund Balance (A)	\$1,417,490	\$1,209,796	\$1,046,302	\$833,919	\$958,919	\$1,133,919
Changes in Cash Assets	\$4,270	-\$304,056	-\$200,000	\$125,000	\$175,000	\$225,000
Changes in Non-Cash Assets	\$0	\$0	\$0	\$0	\$0	\$0
Changes in Long-Term Assets	\$55,504	\$81,145	-\$12,383	\$0	\$0	\$0
Changes in Total Liabilities	-\$267,468	\$59,417	\$0	\$0	\$0	\$0
TOTAL CHANGES TO FUND BALANCE	-\$207,694	-\$163,494	-\$212,383	\$125,000	\$175,000	\$225,000
Assets Total	\$1,687,063	\$1,464,152	\$1,251,769	\$1,376,769	\$1,551,769	\$1,776,769
Cash (B)	\$1,480,825	\$1,176,769	\$976,769	\$1,101,769	\$1,276,769	\$1,501,769
Other Assets(Detail as necessary)	\$0	\$0	\$0	\$0	\$0	\$0
Receivables	\$206,238	\$287,383	\$275,000	\$275,000	\$275,000	\$275,000
Liabilities Total	\$477,267	\$417,850	\$417,850	\$417,850	\$417,850	\$417,850
Cash Liabilities (C)	\$477,267	\$417,850	\$417,850	\$417,850	\$417,850	\$417,850
Long Term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance (D)	\$1,209,796	\$1,046,302	\$833,919	\$958,919	\$1,133,919	\$1,358,919
check	\$1,209,796	\$1,046,302	\$833,919	\$958,919	\$1,133,919	\$1,358,919
Net Cash Assets - (B-C)	\$1,003,558	\$758,919	\$558,919	\$683,919	\$858,919	\$1,083,919
Change from Prior Year Fund Balance (D-A)	-\$207,694	-\$163,494	-\$212,383	\$125,000	\$175,000	\$225,000
Cash Flow Summary						
Revenue Total	\$3,493,148	\$3,901,077	\$4,000,000	\$4,250,000	\$4,500,000	\$4,750,000
Fees	\$0	\$0	\$0	\$0	\$0	\$0
Non-Fee Sources:	\$3,493,148	\$3,901,077	\$4,000,000	\$4,250,000	\$4,500,000	\$4,750,000
"Fees" set in Statute	\$3,493,148	\$3,901,077	\$4,000,000	\$4,250,000	\$4,500,000	\$4,750,000
Settlements (e.g. MSA)						
Transfers of General Fund						
Special Taxes (e.g. Amendment 35)						
Donations						
Interest	\$0	\$0	\$0	\$0	\$0	\$0
Expenses Total	\$3,700,842	\$4,064,571	\$4,200,000	\$4,125,000	\$4,200,000	\$4,350,000
Cash Expenditures	\$3,700,842	\$4,064,571	\$3,950,000	\$4,125,000	\$4,200,000	\$4,350,000
R-04 Rural Landfill Monitoring and Closure Assistance	\$0	\$0	\$250,000	\$0	\$0	\$0
Net Cash Flow	-\$207,694	-\$163,495	-\$200,000	\$125,000	\$300,000	\$400,000

Schedule 9A: Cash Funds Reports
 Department of Public Health and Environment
 FY 2017-18 Budget Request
 Fund 1170 - "Solid Waste Management Fund"
 30-20-118(2), C.R.S.

Cash Fund Reserve Balance	Actual	Actual	Estimated	Requested	Projected	Projected
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Uncommitted Fee Reserve Balance (total reserve balance minus exempt assets, previously appropriated funds and non-fee revenue sources; calculated based on % of revenue from fees)	\$0	\$0	\$0	\$0	\$0	\$0
Target/Alternative Fee Reserve Balance (amount set in statute or 16.5% of total expenses)	\$610,639	\$670,654	\$693,000	\$680,625	\$693,000	\$717,750
Excess Uncommitted Fee Reserve Balance	\$0	\$0	\$0	\$0	\$0	\$0
Compliance Plan (narrative)	Per Section 24-75-402(2)(e)(V), C.R.S., this fund is in compliance.					
Cash Fund Narrative Information						
Purpose/Background of Fund	Cash funding for the state's Solid Waste regulatory program.					
Fee Sources	None					
Non-Fee Sources	Solid Waste Users Fee					
Long Bill Groups Supported by Fund	(6) Hazardous Materials and Waste Management Division, (c) Solid Waste Control Program					

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Public Health and Environment

Request Title

NP-01 Local Public Health Agency Partnerships

Dept. Approval By: *[Signature]* Supplemental FY 2016-17
 Change Request FY 2017-18
 OSPB Approval By: *[Signature]* 10/26/16 Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$8,794,812	\$0	\$8,794,812	\$355,500	\$355,500
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$7,027,228	\$0	\$7,027,228	(\$355,500)	(\$355,500)
	CF	\$1,767,584	\$0	\$1,767,584	\$0	\$0
	RF	\$0	\$0	\$0	\$711,000	\$711,000
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$8,794,812	\$0	\$8,794,812	\$355,500	\$355,500
01. Administration and Support, (B) Local Public Health Planning and Support - Distributions To Local Public Health Agencies	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$7,027,228	\$0	\$7,027,228	(\$355,500)	(\$355,500)
	CF	\$1,767,584	\$0	\$1,767,584	\$0	\$0
	RF	\$0	\$0	\$0	\$711,000	\$711,000
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	New Letternote of Medicaid Funds
FF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Requires Legislation?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Type of Request?	Department of Public Health and Environment Non-Prioritized Request	
Interagency Approval or Related Schedule 13s: Department of Health Care Policy and Financing		

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Public Health and Environment

Request Title

NP-02 Resources for Administrative Courts

Dept. Approval By:



Supplemental FY 2016-17

Change Request FY 2017-18

OSPB Approval By:



Budget Amendment FY 2017-18

Summary Information

	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$10,145	\$0	\$50,020	\$472	\$472
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$10,145	\$0	\$50,020	\$472	\$472
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information

	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$10,145	\$0	\$50,020	\$472	\$472
FTE		0.0	0.0	0.0	0.0	0.0
01. Administration and Support, (A) Administration, (1) Administration - Administrative Law Judge Services	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$10,145	\$0	\$50,020	\$472	\$472
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
FF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Requires Legislation?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Type of Request?	Department of Public Health and Environment Non-Prioritized Request	
Interagency Approval or Related Schedule 13s:	Other	

Schedule 13

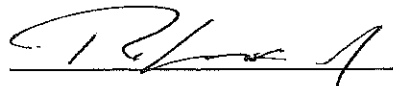
Funding Request for the FY 2017-18 Budget Cycle

Department of Public Health and Environment

Request Title

NP-03 Annual Fleet Vehicle Request

Dept. Approval By:



Supplemental FY 2016-17

Change Request FY 2017-18

OSPB Approval By:



Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$412,571	\$0	\$416,771	(\$45,881)	(\$45,881)
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$310,720	\$0	\$310,720	(\$45,881)	(\$45,881)
	RF	\$68,661	\$0	\$72,861	\$0	\$0
	FF	\$33,190	\$0	\$33,190	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$412,571	\$0	\$416,771	(\$45,881)	(\$45,881)
FTE		0.0	0.0	0.0	0.0	0.0
01. Administration and Support, (A) Administration	GF	\$0	\$0	\$0	\$0	\$0
(1) Administration - Vehicle Lease Payments	CF	\$310,720	\$0	\$310,720	(\$45,881)	(\$45,881)
	RF	\$68,661	\$0	\$72,861	\$0	\$0
	FF	\$33,190	\$0	\$33,190	\$0	\$0

CF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
FF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Requires Legislation?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Type of Request?	Department of Public Health and Environment Non-Prioritized Request	
Interagency Approval or Related Schedule 13s:	Department of Personnel and Administration	

Schedule 13

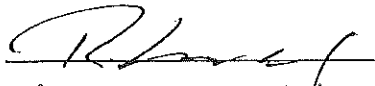
Funding Request for the FY 2017-18 Budget Cycle

Department of Public Health and Environment

Request Title

NP-04 OIT Secure Colorado

Dept. Approval By:



Supplemental FY 2016-17

Change Request FY 2017-18

OSPB Approval By:

Erin N. Sub... 10/26/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$7,530,731	\$0	\$8,535,933	\$134,587	\$230,079
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$1,780,270	\$0	\$1,818,350	\$11,171	\$19,097
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$5,750,461	\$0	\$6,717,583	\$123,416	\$210,982
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$7,530,731	\$0	\$8,535,933	\$134,587	\$230,079
	FTE	0.0	0.0	0.0	0.0	0.0
01. Administration and Support, (A) Administration, (1) Administration - Payments to OIT	GF	\$1,780,270	\$0	\$1,818,350	\$11,171	\$19,097
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$5,750,461	\$0	\$6,717,583	\$123,416	\$210,982
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
FF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Requires Legislation?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Type of Request?	Department of Public Health and Environment Non-Prioritized Request	
Interagency Approval or Related Schedule 13s:	Office of Information Technology	

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Public Health and Environment

Request Title

NP-05 OIT Deskside

Dept. Approval By: *Richard J. [Signature]* Supplemental FY 2016-17
 Change Request FY 2017-18
 OSPB Approval By: *Erin M. [Signature] 10/26/16* Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$7,530,731	\$0	\$8,535,933	\$53,822	\$56,270
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$1,780,270	\$0	\$1,818,350	\$4,467	\$4,670
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$5,750,461	\$0	\$6,717,583	\$49,355	\$51,600
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$7,530,731	\$0	\$8,535,933	\$53,822	\$56,270
	FTE	0.0	0.0	0.0	0.0	0.0
01. Administration and Support, (A)	GF	\$1,780,270	\$0	\$1,818,350	\$4,467	\$4,670
Administration , (1)	CF	\$0	\$0	\$0	\$0	\$0
Administration - Payments to OIT	RF	\$5,750,461	\$0	\$6,717,583	\$49,355	\$51,600
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
FF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Requires Legislation?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Type of Request?	Department of Public Health and Environment Non-Prioritized Request	
Interagency Approval or Related Schedule 13s: Office of Information Technology		

FY 2017-18 BUDGET REQUEST - PUBLIC HEALTH AND ENVIRONMENT

Schedule 10 Request

Non-Prioritized Requests	Interagency Review	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
NP-01 Local Public Health Agency Partnerships	Department of Health Care Policy and Financing	No	\$355,500	0.0	(\$355,500)	\$0	\$711,000	\$0
NP-02 Resources for Administrative Courts	Other	No	\$472	0.0	\$0	\$0	\$472	\$0
NP-03 Annual Fleet Vehicle Request	Department of Personnel and Administration	No	(\$45,881)	0.0	\$0	(\$45,881)	\$0	\$0
NP-04 OIT Secure Colorado	Office of Information Technology	No	\$134,587	0.0	\$11,171	\$0	\$123,416	\$0
NP-05 OIT Deskside	Office of Information Technology	No	\$53,822	0.0	\$4,467	\$0	\$49,355	\$0
Non-Prioritized Request Subtotal			\$498,500	0.0	(\$339,862)	(\$45,881)	\$884,243	\$0

Prioritized Requests	Interagency Review	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
R-01 Clean Water Sectors Funding	None	No	\$1,208,007	0.0	\$433,042	\$774,965	\$0	\$0
R-02 IDD Facility Survey Staffing Adjustment	Department of Health Care Policy and Financing	No	\$417,435	5.0	\$0	\$0	\$417,435	\$0
R-03 Health Facility Survey Staffing Caseload Adjustment	Department of Health Care Policy and Financing	No	\$770,844	8.0	\$43,519	\$115,367	\$184,573	\$427,385
R-04 Rural Landfill Monitoring and Closure Assistance	None	No	\$250,000	0.0	\$0	\$250,000	\$0	\$0
R-05 CDPHE Long Bill Adjustments	None	No	\$0	0.0	\$0	(\$130,924)	\$130,924	\$0
Prioritized Request Subtotal			\$2,646,286	13.0	\$476,561	\$1,009,408	\$732,932	\$427,385

Total Department of Public Health and Environment FY 2017-18 Requests			\$3,144,786	13.0	\$136,699	\$963,527	\$1,617,175	\$427,385
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Schedule 13


Funding Request for the FY 2017-18 Budget Cycle

Department of Public Health and Environment

Request Title

R-05 CDPHE Long Bill Adjustments

Dept. Approval By:



Supplemental FY 2016-17

Change Request FY 2017-18

OSPB Approval By:



Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$47,864,021	\$0	\$55,017,523	\$0	\$0
FTE		161.9	0.0	161.9	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$5,558,776	\$0	\$0
	CF	\$13,574,889	\$0	\$15,158,352	(\$130,924)	(\$130,924)
	RF	\$3,029,704	\$0	\$3,029,704	\$130,924	\$130,924
	FF	\$31,259,428	\$0	\$31,270,691	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$2,713,389	\$0	\$2,710,539	\$215,907	\$215,907
FTE		0.0	0.0	0.0	0.0	0.0
01. Administration and Support, (A) Administration, (1) Administration - Legal Services	GF	\$3,802	\$0	\$3,802	\$0	\$0
	CF	\$7,600	\$0	\$4,750	\$0	\$0
	RF	\$2,701,987	\$0	\$2,701,987	\$130,924	\$130,924
	FF	\$0	\$0	\$0	\$84,983	\$84,983
Total		\$3,359,358	\$0	\$2,574,153	(\$175,000)	(\$175,000)
FTE		43.3	0.0	43.3	0.0	0.0
05. Water Quality Control Division, (B) Clean Water Sectors - Public and Private Utilities Sector	GF	\$1,888,527	\$0	\$1,103,322	\$0	\$0
	CF	\$982,584	\$0	\$982,584	(\$175,000)	(\$175,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$488,247	\$0	\$488,247	\$0	\$0

	Total	\$4,015,804	\$0	\$4,015,804	(\$701,827)	(\$701,827)
	FTE	0.0	0.0	0.0	0.0	0.0
05. Water Quality Control Division, (C) Clean Water Program - Local Grants and Contracts	GF	\$362,154	\$0	\$362,154	(\$362,154)	(\$362,154)
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$39,673	\$0	\$39,673	(\$39,673)	(\$39,673)
	FF	\$3,613,977	\$0	\$3,613,977	(\$300,000)	(\$300,000)
	Total	\$0	\$0	\$0	\$876,827	\$876,827
	FTE	0.0	0.0	0.0	0.0	0.0
05. Water Quality Control Division, (C) Clean Water Program - Clean Water Program Costs	GF	\$0	\$0	\$0	\$362,154	\$362,154
	CF	\$0	\$0	\$0	\$175,000	\$175,000
	RF	\$0	\$0	\$0	\$39,673	\$39,673
	FF	\$0	\$0	\$0	\$300,000	\$300,000
	Total	\$2,403,463	\$0	\$2,403,463	(\$85,087)	(\$85,087)
	FTE	19.0	0.0	19.0	0.0	0.0
06. Hazardous Materials and Waste Management Division, (A) Administration - Program Costs	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$1,544,675	\$0	\$1,544,675	\$0	\$0
	RF	\$85,087	\$0	\$85,087	(\$85,087)	(\$85,087)
	FF	\$773,701	\$0	\$773,701	\$0	\$0
	Total	\$190,100	\$0	\$190,100	(\$190,100)	(\$190,100)
	FTE	0.0	0.0	0.0	0.0	0.0
06. Hazardous Materials and Waste Management Division, (A) Administration - Legal Services	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$130,924	\$0	\$130,924	(\$130,924)	(\$130,924)
	RF	\$455	\$0	\$455	(\$455)	(\$455)
	FF	\$58,721	\$0	\$58,721	(\$58,721)	(\$58,721)
	Total	\$3,424,700	\$0	\$5,006,576	(\$40,000)	(\$40,000)
	FTE	0.0	0.0	0.0	0.0	0.0
06. Hazardous Materials and Waste Management Division, (A) Administration - Indirect Cost Assessment	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$2,252,000	\$0	\$3,833,876	\$0	\$0
	RF	\$50,600	\$0	\$50,600	(\$40,000)	(\$40,000)
	FF	\$1,122,100	\$0	\$1,122,100	\$0	\$0

	Total	\$171,259	\$0	\$171,259	\$125,542	\$125,542
	FTE	2.5	0.0	2.5	0.0	0.0
06. Hazardous Materials and Waste Management Division, (D) Contaminated Site Cleanups and Remediation Programs - Uranium Mill Tailings Remedial Action Program	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$151,902	\$0	\$151,902	\$125,542	\$125,542
	FF	\$19,357	\$0	\$19,357	\$0	\$0

	Total	\$26,262	\$0	\$26,262	(\$26,262)	(\$26,262)
	FTE	0.0	0.0	0.0	0.0	0.0
06. Hazardous Materials and Waste Management Division, (D) Contaminated Site Cleanups and Remediation Programs - Rocky Flats Legal Services	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$26,262	\$0	\$26,262	(\$26,262)	(\$26,262)

	Total	\$2,856,550	\$0	\$2,868,813	(\$200,000)	(\$200,000)
	FTE	33.9	0.0	33.9	0.0	0.0
08. Disease Control and Environmental Epidemiology Division, (A) Administration, General Disease Control, Surveillance, (1) Administration, General Disease Control and Surveillance - Program Costs	GF	\$1,303,062	\$0	\$1,304,062	(\$200,000)	(\$200,000)
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$1,553,488	\$0	\$1,564,751	\$0	\$0

	Total	\$3,247,911	\$0	\$3,247,911	(\$3,247,911)	(\$3,247,911)
	FTE	39.9	0.0	39.9	(39.9)	(39.9)
08. Disease Control and Environmental Epidemiology Division, (B) Special Purpose Disease Control Programs - Sexually Transmitted Infections, HIV and AIDS, Personal Srv.	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$94,236	\$0	\$94,236	(\$94,236)	(\$94,236)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$3,153,675	\$0	\$3,153,675	(\$3,153,675)	(\$3,153,675)

	Total	\$4,964,933	\$0	\$4,964,933	(\$4,964,933)	(\$4,964,933)
	FTE	0.0	0.0	0.0	0.0	0.0
08. Disease Control and Environmental Epidemiology Division, (B) Special Purpose Disease Control Programs -	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$3,266,033	\$0	\$3,266,033	(\$3,266,033)	(\$3,266,033)
	RF	\$0	\$0	\$0	\$0	\$0

Sexually Transmitted Infections,
HIV and AIDS, Operating Exp

	FF	\$1,698,900	\$0	\$1,698,900	(\$1,698,900)	(\$1,698,900)
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	Total	\$2,129,818	\$0	\$2,129,818	(\$2,129,818)	(\$2,129,818)
08. Disease Control and	FTE	10.2	0.0	10.2	(10.2)	(10.2)
Environmental Epidemiology	GF	\$22,018	\$0	\$22,018	(\$22,018)	(\$22,018)
Division, (B) Special Purpose	CF	\$0	\$0	\$0	\$0	\$0
Disease Control Programs -	RF	\$0	\$0	\$0	\$0	\$0
Ryan White Act, Personal	FF	\$2,107,800	\$0	\$2,107,800	(\$2,107,800)	(\$2,107,800)
Services						
<hr/>						
	Total	\$22,300,002	\$0	\$22,300,002	(\$22,300,002)	(\$22,300,002)
	FTE	0.0	0.0	0.0	0.0	0.0
08. Disease Control and	GF	\$1,451,065	\$0	\$1,451,065	(\$1,451,065)	(\$1,451,065)
Environmental Epidemiology	CF	\$5,296,837	\$0	\$5,296,837	(\$5,296,837)	(\$5,296,837)
Division, (B) Special Purpose	RF	\$0	\$0	\$0	\$0	\$0
Disease Control Programs -	FF	\$15,552,100	\$0	\$15,552,100	(\$15,552,100)	(\$15,552,100)
Ryan White Act, Operating						
Expenses						
<hr/>						
	Total	\$902,009	\$0	\$902,009	(\$902,009)	(\$902,009)
	FTE	13.1	0.0	13.1	(13.1)	(13.1)
08. Disease Control and	GF	\$122,609	\$0	\$122,609	(\$122,609)	(\$122,609)
Environmental Epidemiology	CF	\$0	\$0	\$0	\$0	\$0
Division, (B) Special Purpose	RF	\$0	\$0	\$0	\$0	\$0
Disease Control Programs -	FF	\$779,400	\$0	\$779,400	(\$779,400)	(\$779,400)
Tuberculosis Control and						
Treatment, Personal Services						
<hr/>						
	Total	\$1,500,461	\$0	\$1,500,461	(\$1,500,461)	(\$1,500,461)
	FTE	0.0	0.0	0.0	0.0	0.0
08. Disease Control and	GF	\$1,188,761	\$0	\$1,188,761	(\$1,188,761)	(\$1,188,761)
Environmental Epidemiology	CF	\$0	\$0	\$0	\$0	\$0
Division, (B) Special Purpose	RF	\$0	\$0	\$0	\$0	\$0
Disease Control Programs -	FF	\$311,700	\$0	\$311,700	(\$311,700)	(\$311,700)
Tuberculosis Control and						
Treatment, Operating Expenses						
<hr/>						
	Total	\$0	\$0	\$5,420	\$32,842,664	\$32,842,664
	FTE	0.0	0.0	0.0	50.1	50.1
08. Disease Control and	GF	\$0	\$0	\$983	\$1,673,083	\$1,673,083
Environmental Epidemiology	CF	\$0	\$0	\$4,437	\$8,657,106	\$8,657,106
Division, (B) Special Purpose	RF	\$0	\$0	\$0	\$0	\$0
Disease Control Programs -						
Special Purpose Disease						

Control Program	FF	\$0	\$0	\$0	\$22,512,475	\$22,512,475
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	Total	\$0	\$0	\$0	\$2,402,470	\$2,402,470
	FTE	0.0	0.0	0.0	13.1	13.1
08. Disease Control and Environmental Epidemiology Division, (B) Special Purpose	GF	\$0	\$0	\$0	\$1,311,370	\$1,311,370
Disease Control Programs - Tuberculosis Control and Treatment Program	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$1,091,100	\$1,091,100

CF Letternote Text Revision Required?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	
FF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	
Requires Legislation?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	
Type of Request?	Department of Public Health and Environment Prioritized Request				
Interagency Approval or Related Schedule 13s:	None				

R-05 CDPHE Long Bill Adjustments, Letternote Revisions

05. Water Quality Control Division, (B) Clean Water Sectors - Public and Private Utilities Sector:

~~a Of this amount, an estimated \$175,000 shall be from the Biosolids Management Program Fund created in Section 30-20-110.5 (3), C.R.S., and an estimated \$2,911,877 shall be from various sources of cash funds.~~

a This amount shall be from the Commerce and Industry Sector Fund created in Section 25-8-502(1.5)(a)(I), C.R.S.

05. Water Quality Control Division, (C) Clean Water Program - Clean Water Program Costs (New Line)

a This amount shall be from the Biosolids Management Program Fund created in Section 30-20-110.5 (3), C.R.S

06. Hazardous Materials and Waste Management Division, (A) Administration - Legal Services

~~c Of this amount, an estimated \$45,000 shall be from the Solid Waste Management Fund created in Section 30-20-118 (1), C.R.S., an estimated \$15,000 shall be from the Radiation Control Fund created in Section 25-11-104 (6) (c), C.R.S., and an estimated \$70,924 shall be from various sources of cash funds.~~

08. Disease Control and Environmental Epidemiology Division, (B) Special Purpose Disease Control Programs - Sexually Transmitted Infections, HIV and AIDS, Personal Srv.

08. Disease Control and Environmental Epidemiology Division, (B) Special Purpose Disease Control Programs - Sexually Transmitted Infections, HIV and AIDS, Operating Exp

~~a These amounts shall be from the AIDS and HIV Prevention Fund created in Section 25-4-1415 (1), C.R.S., which are received as damage awards and, as such, do not constitute fiscal year spending for the purposes of Section 20 of Article X of the State Constitution.~~

08. Disease Control and Environmental Epidemiology Division, (B) Special Purpose Disease Control Programs - Ryan White Act, Operating Expenses

~~b Of this amount, \$3,383,234 shall be from the Drug Assistance Program Fund created in Section 25-4-1411 (6) (a), C.R.S. and \$600,000(l) shall be from gifts, grants, and donations. The amounts from the Drug Assistance Program Fund are received as damage awards and, as such do not constitute fiscal year spending for the purposes of Section 20 of Article X of the State Constitution.~~

08. Disease Control and Environmental Epidemiology Division, (B) Special Purpose Disease Control Programs - Special Purpose Disease Control Program (New Line)

a Of this amount, \$3,360,269 shall be from the AIDS and HIV Prevention Fund created in Section 25-4-1415 (1), C.R.S., \$4,696,837 shall be from the Drug Assistance Program Fund created in Section 25-4-1411 (6) (a), C.R.S. and \$600,000(l) shall be from gifts, grants, and donations. The amounts from the AIDS and HIV Prevention Fund and the Drug Assistance Program Fund are received as damage awards and, as such do not constitute fiscal year spending for the purposes of Section 20 of Article X of the State Constitution.



Cost and FTE

- The Colorado Department of Public Health and Environment (CDPHE) has identified a number of items in its FY 2016-17 Long Bill that it would like to adjust in order to increase efficiency and better align programmatic activities in the FY 2017-18 Long Bill.
- This request is net \$0.

Current Program

- The Department has approximately 150 Long bill lines, more than 1,300 FTE and over \$550 million in funding.
- The organization is constantly evolving and changing in order to respond to needs and opportunities to become more effective in protecting public health and the environment.

Problem or Opportunity

- This request seeks a number of adjustments to CDPHE's Long Bill so that it can more efficiently protect public health and the environment.
- The request includes various adjustments such as name changes, line item consolidations, and adjustments of funding allocations.

Consequences of Problem

- The current structure of the Long Bill limits flexibility and responsiveness of the Department to changing public health demands.
- Without the requested realignments, actual expenditures will not accurately mirror programmatic structure.

Proposed Solution

- If the requested adjustments are authorized, the Department's Long Bill will more accurately reflect programmatic funding and will ensure that programs have the flexibility to respond to emerging health and environmental needs.
- Some of the requested adjustments, such as the consolidation of lines within the Disease Control and Environmental Epidemiology Division will improve CDPHE's responsiveness, stakeholder processes, and the Department's transparency.
- This request is net \$0.



Department Priority: R-05
Request Detail: CDPHE Long Bill Adjustments

Summary of Incremental Funding Change for FY 2017-18	Total Funds	General Fund
Technical Adjustments	\$0	\$0

Problem or Opportunity:

The Colorado Department of Public Health and Environment (CDPHE) has identified a number of items in its FY 2016-17 Long Bill that it would like to adjust in order to have the FY 2017-18 Long Bill be efficient, effective and facilitate the Department’s important public health and environmental activities. This request is net \$0.

Public health and environmental protection knowledge and best practices are constantly evolving. The Department must adjust in order to respond to needs and opportunities to become more efficient and effective. These changes can involve programmatic realignment and restructuring as well as blending and expanding the scope of programs. In order to ensure that CDPHE can best protect public health and the environment, the Department is requesting adjustments to its Long Bill.

Proposed Solution:

This request seeks a number of adjustments to CDPHE’s Long Bill so that it can more efficiently and effectively protect public health and the environment. The request includes various adjustments such as name changes, line item consolidations and adjustments of funding allocations. Authorizing these changes will facilitate important public health prevention and environmental protection work.

Following are the items the Department would like to adjust in its FY 2017-18 Long Bill See Appendix A for a summary of the changes:

- 1) The Department requests the Legal Services lines in the (6) Hazardous Materials and Waste Management Division, (A) Administration, Legal Services and the (D) Contaminated Site Cleanups and Remediation Programs, Rocky Flats Legal Services be reallocated to the Department legal services line in (1) Administration and Support, (A) Administration, Legal Services. This move is to create consistency within the Department for the handling of legal services. The requested change will provide greater efficiency and flexibility by consolidating all legal costs in a single line item.
- 2)
 - a) Create a Clean Water Programs line in (5) Water Quality Control Division, (c) Clean Water Programs. This line was eliminated when the (B) Clean Water Sectors Long Bill group was created. The division still has activities related to the Clean Water Program that do not fit in any of the sectors. For the past two years those activities have been funded through the Local Grants and

Contracts Long Bill Line. The Division is concerned because the Local Grants and Contracts Line has a very specific purpose and is not the appropriate line for general expenditures related to the Clean Water Program.

- b) Reduce the (5) Water Quality Control Division (B) Clean Water Sectors, Public and Private Utilities Sector line by \$175,000 to remove the Biosolids Management Program costs. The request is to put the \$175,000 Biosolids Program costs in the new (C) Clean Water Program, Program Cost line. The functions of the Biosolids funds are not specific to any of the functions of the Public and Private Utilities Sector as the funds are designated for the use of implementing a program for the beneficial use of biosolids. As such, the fund should be moved into the new, more general, Clean Water Programs Line.
- 3) Move the Uranium Mill Tailings Remedial Action Program (UMTRA) funding from (6) Hazardous Materials and Waste Management Division, (A) Administration, Program Costs, Legal Services and Indirect Cost Lines to the (D) Contaminated Site Cleanups and Remediation Programs, Uranium Mill Tailings Remedial Action Program Line. The Administration Program Costs and Legal lines do not charge to the UMTRA program. Therefore, the spending authority in these lines should be moved to the UMTRA program line, where the expenditures occur. Also, the amount appropriated for indirect is greater than needed so approximately \$30,000 of this spending authority can be moved to the UMTRA program line. Having the current spending authority in different Long Bill lines creates restrictions on the total program budget. Since these appropriations are reappropriated from the Department of Local Affairs, the UMTRA program requires flexibility in how to manage the total program allotment. If approved this request would combine all Reappropriated spending authority for the UMTRA program into the existing UMTRA program costs line.
- 4)
 - a) Combine the following lines from the (8) Disease Control and Environmental Epidemiology Division, (B) Special Purpose Disease Control Programs into a single line called (B) Special Purpose Disease Control Programs.
 - i) Sexually Transmitted Infections, HIV and AIDS Personal Services
 - ii) Sexually Transmitted Infections, HIV and AIDS Operating Expenses
 - iii) Ryan White Act Operating Expenses
 - iv) Ryan White Act Operating Expenses

Sexually transmitted infection (STI), Human Immunodeficiency Virus (HIV), and Viral Hepatitis (VH) are highly interrelated and often require joint strategies. This interrelatedness was reflected in recent legislative action to modernize STI, HIV, and VH laws. The revision of CRS 25-4-1411 in the 2015 legislative session, and the re-writing of CRS 25-4-1401 during the 2016 session, were motivated, in large part, to recognize the closely interrelated nature of STI, HIV, and VH and align funding and regulations accordingly.

People acquire STI, HIV, and VH through the same behaviors, and the incidence of people co-infected with all three diseases is common. The separation of funding through separate long bill lines has hampered program efforts to provide comprehensive prevention and care to the affected populations. This is most evident in cases of outbreaks. For example, if Colorado were to experience an outbreak of VH due to injection behaviors, there may well be associated HIV

infections. Furthermore, current long bill language is intended to be complementary with federal funding – but federal funding for STI, HIV, and VH is rapidly changing.

The constituencies for STI, HIV, and VH overlap considerably. HIV has always had an extensive public participation process, driven by both federal requirements and public participation requirements in CRS 25-4-1411. However, the public participation for STI and VH have been less structured and conducted separately from HIV. This has hampered efforts to develop a unified message from CDPHE and resulted in duplication of effort across a common group of stakeholders. Recent modernization of STI legislation aimed to bring these related processes together. A revised long bill structure would facilitate CDPHE’s responsiveness while streamlining improvements to stakeholder processes.

- b) Additionally, the Department would like to move \$200,000 from the (8) Disease Control and Environmental Epidemiology Division, (A) Administration General Disease Control and Surveillance, Program Costs line to the new Special Purpose Disease Control Line. This \$200,000 is funding for Hepatitis programs and also belongs with the other diseases included in the new line.
- 5) Combine the (8) Disease Control and Environmental Epidemiology Division (B) Special Purpose Disease Control Programs, Tuberculosis (TB) personal services and Operating lines into one program line. Consolidating TB lines maintains consistency with the proposed combination of lines above and will maintain consistency within the Special Purpose Disease Control Programs long bill group. Additionally, as discussed previously, separation of long bill lines can hamper program efforts to effectively and efficiently respond to statewide outbreaks in a timely manner.
- 6) In (8) Division of (Disease Control and Environmental Epidemiology, change the name of the (c) Environmental Epidemiology, Cannabis Health and Environmental Epidemiology Training Outreach and Surveillance program to (C) Environmental Epidemiology, Marijuana Health Effects Monitoring. We are requesting this change to simplify the name of the program.

Anticipated Outcomes:

If the requested adjustments are authorized, the Department’s Long Bill will more accurately reflect programmatic funding and will ensure that programs have the flexibility to respond to emerging health and environmental needs.

Assumptions and Calculations:

This is a net \$0 request. Amounts for requested transfers and consolidations are based on the dollars already included in program budgets. See Appendix A and the Schedule 13 for detail of the proposed adjustments.

R-5 - CDPHE Long Bill Adjustments - Appendix A Technical Request Line Item Detail

line name	description	total funds	FTE	General Fund	Cash funds	Reappropriated funds	Federal funds
1.	(6) Hazardous Materials and Waste Management Division, Legal Services, for 2,000 hours Legal Service Line Item Consolidation	(189,645)	0.0	0	(130,924)	0	(58,721)
1.	(6) Hazardous Materials and Waste Management Division, Rocky Flats Legal Services for 275 hours Legal Service Line Item Consolidation	(26,262)	0.0	0	0	0	(26,262)
	(1) Administration, Legal Services for 28,427 hours Legal Service Line Item Consolidation	215,907	0.0	0	0	215,907	0
	1. subtotal Legal Service Line Item Consolidation	0	0.0	0	(130,924)	215,907	(84,983)
2a.	(5) Water Quality Control Division, (C) Clean Water Program, Local Grants and Contracts Create new Clean Water Program Program Costs Line	(701,827)	0.0	(362,154)	0	(39,673)	(300,000)
2b.	(5) Water Quality Control Division, (b) Clean Water Sectors Public and Private Utilities Sector Create new Clean Water Program Program Costs Line	(175,000)	0.0	0	(175,000)	0	0
	(5) Water Quality Control Division, (C) Clean Water Program, Program Costs Create new Clean Water Program Program Costs Line	876,827	0.0	362,154	175,000	39,673	300,000
	2. subtotal create new Clean Water Program Line	0	0.0	0	0	0	0
3.	(6) HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION, (A) Administration, Program Costs Transfer UMTRA funding to the UMTRA line	(85,087)	0.0	0	0	(85,087)	0
3.	(6) Hazardous Materials and Waste Management Division, Legal Services, for 2,000 hours Transfer UMTRA funding to the UMTRA line	(455)	0.0	0	0	(455)	0
3.	(6) HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION, (A) Administration, Indirect Cost Assessment Transfer UMTRA funding to the UMTRA line	(40,000)	0.0	0	0	(40,000)	0
	(6) HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION, (D) Contaminated Site Cleanups and Remediation Programs, Uranium Mill Tailings Remedial Action Program Transfer UMTRA funding to the UMTRA line	125,542	0.0	0	0	125,542	0
	3. subtotal Transfer UMTRA funding to the UMTRA line	0	0.0	0	0	0	0
4a.	(8) DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION, (B) Special Purpose Disease Control Programs, Sexually Transmitted Infections, HIV and AIDS Personal Services Consolidate communicable disease programs	(3,247,911)	(39.9)	0	(94,236)	0	(3,153,675)
4a.	(8) DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION, (B) Special Purpose Disease Control Programs, Sexually Transmitted Infections, HIV and AIDS Operating Expenses Consolidate communicable disease programs	(4,964,933)	0.0	0	(3,266,033)	0	(1,698,900)
4a.	(8) DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION, (B) Special Purpose Disease Control Programs, Ryan White Act Personal Services Consolidate communicable disease programs	(2,129,818)	(10.2)	(22,018)	0	0	(2,107,800)
4a.	(8) DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION, (B) Special Purpose Disease Control Programs, Ryan White Act Operating Expenses Consolidate communicable disease programs	(22,300,002)	0.0	(1,451,065)	(5,296,837)	0	(15,552,100)
4b.	(8) DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION, (A) Administration, General Disease Control and Surveillance, Program Costs Consolidate communicable disease programs	(200,000)	0.0	(200,000)	0	0	0
	(8) DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION, (B) Special Purpose Disease Control Programs, Program Costs Consolidate communicable disease programs	32,842,664	50.1	1,673,083	8,657,106	0	22,512,475
	4. subtotal Consolidate communicable disease programs	0	0.0	0	0	0	0
5.	(8) DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION, (B) Special Purpose Disease Control Programs, Tuberculosis Control and Treatment Personal Services Create a tuberculosis Program line	(902,009)	(13.1)	(122,609)	0	0	(779,400)
5.	(8) DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION, (B) Special Purpose Disease Control Programs, Tuberculosis Control and Treatment Operating Expenses Create a tuberculosis Program line	(1,500,461)		(1,188,761)	0	0	(311,700)
	(8) DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION, (B) Special Purpose Disease Control Programs, Tuberculosis Control and Treatment program line Create a tuberculosis Program line	2,402,470	13.1	1,311,370	0	0	1,091,100
	5. subtotal Create a tuberculosis Program line	0	0.0	0	0	0	0

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Public Health and Environment

Request Title

R-02 IDD Facility Survey Staffing Adjustment

Dept. Approval By: *[Signature]* Supplemental FY 2016-17
 Change Request FY 2017-18
 OSPB Approval By: *[Signature]* 10/26/16 Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$8,782,643	\$0	\$8,764,488	\$417,435	\$393,920
FTE		97.8	0.0	97.8	5.0	5.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$4,745,662	\$0	\$4,727,507	\$417,435	\$393,920
	FF	\$4,036,981	\$0	\$4,036,981	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$8,782,643	\$0	\$8,764,488	\$417,435	\$393,920
10. Health Facilities and Emergency Medical Services, (B) Health Facilities Program - Medicaid / Medicare Certification Program	FTE	97.8	0.0	97.8	5.0	5.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$4,745,662	\$0	\$4,727,507	\$417,435	\$393,920
	FF	\$4,036,981	\$0	\$4,036,981	\$0	\$0

CF Letternote Text Revision Required	Yes	No	<input checked="" type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required	Yes	No	<input type="checkbox"/>	
FF Letternote Text Revision Required	Yes	No	<input type="checkbox"/>	
Requires Legislation?	Yes	No	<input checked="" type="checkbox"/>	
Type of Request?	Department of Public Health and Environment Prioritized Request			
Interagency Approval or Related Schedule	Department of Health Care Policy and Financing			



Cost and FTE

- This request seeks 5.0 FTE and \$417,435 in Reappropriated Fund Medicaid spending authority in FY 2017-18 and 5.0 FTE and \$393,920 in ongoing Reappropriated funding.
- These funds will also be shown in the Health Care Policy and Financing Budget as a 50/50 General Fund/federal fund split.

Current Program

- The Intellectual and Developmental Disabilities (IDD) Community Services section, within the Health Facilities and Emergency Medical Services Division, is responsible for conducting on-site survey and compliance oversight of providers within the following Medicaid Waivers: Home and Community Based (HCBS)-for Persons with Developmental Disabilities (DD), HCBS-Supported Living Services (SLS), and HCBS-Children's Extensive Support Services (CES).
- Workload includes an initial on-site survey/inspection prior to the recommendation of provider enrollment as a Medicaid provider. Once the new agencies are providing services to active clients, a comprehensive survey/inspection must be completed every three years.

Problem or Opportunity

- The provider community for the IDD clients has expanded over the last several years, and the program is unable to complete surveys/inspections at the required frequency.
- The Division is unable to keep pace with routine surveys of providers. New provider growth and an existing backlog add to this problem.
- For FY 2015-16, the Division surveyed approximately 41% of the providers that were due for survey, which equates to approximately 66 agencies that did not receive a recertification survey when due.

Consequences of Problem

- As the Division falls further behind in routine surveys, there is a risk that providers will begin to "cut corners" in their services, which could endanger the quality of programs or health care provision for clients.
- As the Division becomes unable to meet the growing demand of initial surveys, the availability of providers to meet client needs is negatively impacted.

Proposed Solution

- The requested 5.0 FTE and associated funding will make it possible to continue to complete initial surveys and to meet the three year Medicaid survey/inspection requirement.
- The anticipated outcome is elimination of the backlog of surveys which enhances the health and well-being of clients.



COLORADO

Department of Public Health and Environment

John W. Hickenlooper
Governor

Larry Wolk, MD MSPH
Executive Director

FY 2017-18 Change Request | November 1, 2016

Department Priority: R-02

Request Detail: Individuals with Intellectual and Developmental Disabilities Facility Survey Staffing Adjustment

Summary of Incremental Funding Change for FY 2017-18	Total Funds	Reappropriated Fund
Individuals with Intellectual and Developmental Disabilities Facility Survey Staffing Adjustment	\$417,435	\$417,435

Problem or Opportunity:

This request seeks 5.0 FTE and \$417,435 in Reappropriated Fund Medicaid spending authority in FY 2017-18 and 5.0 FTE and \$393,920 in on-going funding. These funds will also be shown in the Health Care Policy and Financing Budget at the standard 50/50 General Fund/Federal Fund split.

The Intellectual and Developmental Disabilities (IDD) Community Services section, within the Health Facilities and Emergency Medical Services Division is responsible for conducting the on-site survey and compliance oversight of providers within the following Medicaid Waivers:

- Home and Community Based (HCBS)-for Persons with Developmental Disabilities (DD),
- HCBS-Supported Living Services (SLS) and
- HCBS-Children’s Extensive Support Services (CES).

In January 2013 Department of Human Services (DHS) employees were collocated with CDPHE Health Facilities staff who were doing similar work. Previous to this change, CDPHE and DHS staff were conducting separate surveys. This meant that the facilities had multiple inspections, from multiple agencies, with different rules to follow. With the transfer, a single survey is now conducted minimizing the disruption to the facilities. This change was made in an effort to streamline provision of services and comply with HB 12-1294. DHS staff were formally transferred to CDPHE in the 2014-15 Long Bill as a result of JBC staff action. This formal Long Bill adjustment codified the informal co-location of staff that had been occurring since 2013.

Staff transitioned from DHS to CDPHE with a workload backlog and continue to be unable to keep pace with routine surveys of the IDD providers. Due to the backlog, the division cannot ensure quality programs or health care provision for clients at the required three year survey frequency. The three year survey frequency is determined by the Federal Centers for Medicaid and Medicare Services via the applicable waivers in place for Colorado. The division and program have worked diligently to combine, where appropriate, surveys of providers (i.e. an IDD survey with a license survey for a group home) and leverage resources when applicable, such as clerical support for processing licenses/certifications. The program has

undergone numerous LEAN projects to eliminate duplication of process and gain efficiencies where feasible.

The provider community for the IDD clients has expanded exponentially over the last several years, with no slowing in the rate of growth. As provider numbers increase to reduce the waitlist in the client population, the workload of the program will consequently continue to grow. Workload includes an initial on-site survey prior to the recommendation of provider enrollment as a Medicaid provider. This survey includes review of policies, procedures and overall administrative responsibilities. Thereafter, once the new agencies are providing services to active clients, a comprehensive survey is completed that includes a review of all regulatory requirements such as day habilitation, individual residential services and supports, medical needs (within specific settings), activities of daily living, or any one or combination of up to 22 services that the provider could provide as a service agency.

The following chart illustrates the significant growth in the number of providers from 2010 through April of 2016.

Date of Reference	# of Total PASAs*	# of Total SLS/CES Providers	Rate of Change in PASA #s	Rate of Change in SLS/CES Provider #s
04/20/2010**	201	66	---	---
12/16/2011	211	102	+4.9%	+54.5% **
09/05/2012	218	102	+3.3%	0.0%
07/15/2013	251	116	+15.1% *	+13.7%*
01/17/2014	264	125	+5.2%	+7.8%
07/01/2014	277	138	+4.7%	+10.4%
11/17/2014	293	151	+5.8%	+8.6%
6/12/15	313	171	+6.4%	+11.7%
4/15/16	337	193	+7.6%	+12.9%

PASA- Program Approved Service Agency
 SLS- Support Living Services; Medicaid Waiver
 CES- Children’s Extensive Support; Medicaid Waiver
 CDPHE- CO Dept. of Public Health & Environment
 HCA- Home Care Agency
 CCB- Community Centered Board

**** The months are varied because that is the data that is available. Older records are housed at Department of Human Services and thus CDPHE does not have access to the data.**

Summary of Data

- There are 136 new PASAs from 4/2010 to 4/2016. Overall rate of change is +67.2%.
- There are 127 new SLS/CES providers¹ from 4/2010 to 4/2016. Overall rate of change is +192% demonstrating concentrated growth within the SLS/CES waiver programs.
- Of the 193 total SLS/CES providers, 39 have a CDPHE HCA Class B license. These 39 PASAs represent 20.2% of all SLS/CES providers that provide Personal Care and/or Respite Services.

Each survey varies in the length of time it takes based on location of the facility (travel time), size of the facility, number of programs offered etc. However, as shown in Appendix B, staff estimate a need for

¹ For the purpose of request SLS/CES refers to agencies with either Personal Care and/or Respite services.

24,325 work hours in a year. This includes initial surveys, regular recertifications, desk reviews, revisits and complaints).

Explanation of growth

* The rate of change in PASAs and rate of change in SLS/CES providers, shown in the above chart, are likely attributed to the following system changes:

Developmental Pathways, a large metro area Community Centered Board (CCB), eliminated its historical arrangement of contracting with SLS/CES providers. Effective June 2012, all SLS/CES providers were instructed they could either become contractors with another agency or apply to become an individual PASA through the Division for Intellectual and Developmental Disabilities. This led to a substantial influx in program approval applications and eventual new agencies. The same decision was made by Foothills Gateway, a northern CCB in the fall of 2013. A third CCB has now made this decision to move away from the use of independent contractors. The Resource Exchange (TRE) in Colorado Springs has made this change effective 7/1/16. They have 60 independent contractors that will be required to either contract elsewhere or become a new PASA. June 2012 is when the Affordable Care Act went into effect resulting in the determination that existing contracts were not complying with established guidelines. The CCB's decided to be proactive and eliminate independent contractors. As a result of CCB's eliminating independent contractors, many of those independent contractors became PASAs- thus the growth in application and provider numbers. Once the CCBs no longer used those independent contractors for service delivery, the CCB became responsible for case management, only, which includes oversight (writing service plans, etc.). The new PASA's are responsible for direct service delivery with the clients.

(a) It was also during this time that previous "microboards" (parent owned/operated agencies) were eliminated and family-provided services had to either become individual PASAs or become Family Care Giver providers under an already-approved PASA.

** The rate of change in SLS/CES providers is likely attributed to the following system changes:

(a) The historical arrangement of Support Coordinating Agencies (SCA's) operating under the CCB system was eliminated. Consequently, SLS/CES providers were required to become individual PASAs.

(b) This time period also coincides with the time of the waiver renewal/rewrites where significant waiver changes were made, specifically within the SLS and CES Medicaid waivers.

Since the division now better understands the extent of efficiencies gained from the IDD Community Services unit moving from the Department of Health Care Policy and Financing, it is evident that the benefits are more concentrated on the provider side (e.g., consolidated on-site visits across provider types), but has had little impact on reducing the workload for the program. For example, two areas of survey overlap include both licensed and certified group homes within the HCBS-DD waiver as well as licensed Home Care Agencies (HCA) that also provide HCBS-SLS/CES services. A notable improvement that has already been realized from the unit's merge to CDPHE includes a consolidation from two various type surveys to one survey reviewing both licensure and certification requirements. While this is an improvement and a desired outcome, these overlapping provider types make up a small subset of the total HCBS-DD/SLS/CES providers. Of the current 337 providers, only 41 agencies have Group Homes and 39 agencies are licensed HCAs, for a total of 80 facilities out of 337 (23.7%). Furthermore, each of these agencies is also providing other HCBS-DD/SLS/CES waiver services, requiring a certification survey in

addition to the areas of overlap. While this is just one of the desired outcomes of the integration, other more significant workload impacts are yet to be seen. Please see Appendix A for a listing of process improvement tasks that have been undertaken for this program.

The program continues to be unable to keep pace with routine surveys of the programs. Thus, the Division cannot ensure quality programs or health care provision for clients at the required frequency. For FY 2015-16 the division surveyed approximately 41% of the providers that were due for survey. This equates to approximately 66 agencies that did not receive a recertification survey when due. (337 facilities, 33% of the facilities due for survey each year (112) and 46 are actually surveyed – or 41% surveyed.). See appendix C for more detail on the number of facilities and associated backlog. Moreover, given the consistent growth of new agencies, approximately six per month, these numbers are anticipated to steadily increase, causing further backlogs.

To put perspective to the number of surveys completed per year, consider that in FY 11-12, which resulted in 206 surveys (routine and complaint surveys), 664 people benefited from the attention to health and safety and emphasis on quality improvement that each survey process includes. To improve the quality of services for a person enrolled in a waiver program, the surveyor must provide value-based technical assistance to the program during the survey with emphasis on quality of life for the person in service.² For example, quality of life concerns involvement in activities of daily living, such as shopping for themselves, building relationships in the community, individual choices for the services they receive (having an alternate choice for activities, input to services they receive), etc. Furthermore, the services that are provided for the client are aimed to teach new skills to enhance growth of the client. The surveyor's goal is to help the provider offer services that includes, but also transcends, health and safety, guiding the client to lead a rich, value added life that does not focus primarily on safety at the expense of typical life experiences.

As the division falls further behind in routine surveys, there is a risk that providers will begin to “cut corners” in their services since they will know that no one is monitoring to make sure rules are met. In addition, as the division becomes unable to meet the growing demand of initial surveys, the ability of the provider community to meet expanding needs of clients is impacted.

While the program is currently able to keep up with the initial certification of providers, if the division were to fall behind, there would be a delay in a provider's ability to enroll as a Medicaid provider. The delay in enrollment of providers would lead to a lack of “supply” of services, thus impacting the client's choice in service providers as well as negatively impacting their personal health and development. An additional problem is that this would hamper the current efforts to eliminate waitlists for services for this population.

The problem jeopardizes the Department's goals for customers, because staff strive to ensure that providers are able to provide quality health care and programmatic services. This includes ensuring that there is sufficient capacity in the system to handle all individuals in need of services

Proposed Solution:

While the detailed staffing and workload data in appendix B shows a total need for 13.3 FTE and an increase of 6.3 FTE over the existing 7.0 FTE, the Department requests, 5.0 FTE and \$417,435. The requested additional 5.0 FTE will allow the program to better meet the needs of new providers as well as

² The quality improvement process is a higher level function than that of a strictly health and safety analysis. It is typically a result of the expertise of a person that has spent a career in the DD system and as a result, understands the depth and breadth of the history of people with developmental disabilities. See Norman Kunc's “A Credo for Support” for reference.

continuing providers. The addition of the 5.0 FTE will make it possible to complete initial surveys, as well as keep current with complaints. Outcomes will be measured by the division maintaining initial surveys and complaint investigations. In addition, with the new staff, the program will be able to eliminate the backlog and meet the required recertification frequencies. The 1.3 additional FTE identified in the workload calculations as being needed in the program are support staff and other professionals and are managed at the division level across all facility types. Existing staff can absorb the workload associated with the expanded activity.

The Department proposes hiring five Health Professional III's (surveyors.) Requested funding will be from Medicaid sources through the Department of Health Care Policy and Financing (HCPF). In CDPHE's Long Bill this will be shown as Reappropriated funds, and in the HCPF long bill it will be shown as 50% General Fund and 50% Federal funds. This is the standard split for these types of services. HCPF will be submitting a corresponding schedule 13 to show the change to their budget.

The division will continue to evaluate and monitor workload and efficiencies in this program. A future request may be necessary if the provider community continues to grow. See Appendix B for current workload and staffing assumptions.

As initial surveys are completed in a timely fashion, providers will be able to be enrolled, thus decreasing the number of people waiting for services. Furthermore, follow up surveys of providers will ensure that they continue to provide quality programmatic and health care services for their clients.

Because service providers are paid from Medicaid sources, the ability for this program to make certain quality services are provided adds a link to ensure that general taxpayer dollars are being expended in an efficient and effective manner.

Anticipated Outcomes:

The addition of the requested 5.0 FTE will allow the program to complete the initial surveys as applications are received, as well as to stay current with complaint inspections and routine surveys. See appendix C for more detail on the required surveys.

Outcomes will be measured by the division's ability to maintain the initial surveys as they are received, staying current with routine inspections and completing complaint investigations as needed. With the addition of five FTE the backlog will be eliminated in the first year. As new providers are surveyed in a timely fashion, they will be able to be enrolled as Medicaid providers and thus decrease the number of people waiting for services. Conducting routine surveys will ensure that providers provide quality programmatic and health care services for their clients.

Assumptions and Calculations:

This request seeks 5.0 FTE and \$417,435 in Reappropriated fund Medicaid spending authority in FY 2017-18 and 5.0 FTE and \$393,920 in on-going Reappropriated fund spending authority. These funds will also be shown in the Health Care Policy and Financing Budget at the standard 50/50 General Fund federal fund split.

The requested FTE will be Health Professional III positions hired at \$4,659 per month. This is the division minimum which is 12 percent above the range minimum. Experience at the division shows that by hiring

at the grade minimum, quality staff cannot be attracted, or retained. Increasing the base salary by 12% has allowed the division to attract and retain staff.

Appendix B shows a detailed breakdown of staffing and workload assumptions that were used to calculate the 5.0 FTE described above. Based on the workload calculations shown in appendix B and staff experience, the program estimates that once fully staffed and trained, the 5 new surveyors will allow the program to complete the 166 surveys shown in appendix C for FY 2018-19.

Travel time is variable based on the size of the facility being surveyed. Large facilities have many locations and thus require more travel time between sites for a survey. Initial surveys are typically done at the “corporate” office and thus, regardless of size, require less travel.

- Some surveys, approximately 20% or 63 (166 surveys at 20% X two surveyors) will be overnight stays for surveyors. The cost for overnight surveys is \$75 per night per surveyor for hotel and \$46 per day per surveyor for per diem. (Total \$121). This will be a total cost of \$7,623 per year.
- At this time there is no need to purchase additional fleet vehicles as the division fleet is sufficient. However, each vehicle will be used more to cover the additional surveys and thus the variable mileage costs will increase.
- The division estimates that these five surveyors can complete 156 surveys per year, at an average of 40 miles per survey. This equates to 6,240 miles driven each year. This will cost approximately \$976 per year.

Appendix C shows how many surveys are required each year, and how many were actually completed along with the backlog numbers. The projected years include the requested FTE.

Appendix A

Below are examples of the specific integration accomplishments completed:

- Integrated the initial and ongoing certification functions for HCBS-DD/SLS/CES providers into already-established Certification/Licensing/Records workflow processes
 - Trained staff
 - Updated forms/documents
 - provided ongoing technical assistance/ support
- Facilitated the integration of all 300+ agencies into the Aspen system
- Organized and integrated nearly 1,400 individual tags for the 8,600 regulation set into Aspen
- Successfully moved and integrated the Service Agency database into a CDPHE compatible format
- Updated the post-survey questionnaire to include the IDD programs re: agency satisfaction
- Effectively consolidated Group Home surveys to review both licensure and certification
- Managed the transition of the IDD complaint process into the already-established complaint process within HFEMSD
- Trained staff
- Updated forms/documents
- Provided ongoing technical assistance/ support
- Revised the Plan of Correction time frame to be congruent to other program expectations in order to promote improved efficiencies for providers
- Revised the process of Community Centered Board involvement

FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).

General Fund FTE -- New full-time General Fund positions are reflected in Year 1 as 0.9166 FTE to account for the pay-date shift. This applies to personal services costs only; operating costs are not subject to the pay-date shift.

Expenditure Detail		FY 2017-18		FY 2018-19	
Personal Services:					
Classification Title	Monthly	FTE		FTE	
Health Professional III	\$4,659	5.0	\$279,540	5.0	\$279,540
PERA			\$28,373		\$28,373
AED			\$13,977		\$13,977
SAED			\$13,977		\$13,977
Medicare			\$4,053		\$4,053
STD			\$531		\$531
Health-Life-Dental			\$39,636		\$39,636
Subtotal Position 1, ## FTE		5.0	\$380,087	5.0	\$380,087
Subtotal Personal Services		5.0	\$380,087	5.0	\$380,087
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	\$500	4.6	\$2,300	5.0	\$2,500
Telephone Expenses	\$450	5.0	\$2,250	5.0	\$2,250
PC, One-Time	\$1,230	5.0	\$6,150	-	
Office Furniture, One-Time	\$3,473	5.0	\$17,365	-	
Travel	121.0	67.0	\$8,107	67.0	\$8,107
Variable Mileage	0.147	6640.0	\$976	6,640.0	\$976
Other					
Other					
Subtotal Operating Expenses			\$37,148		\$13,833
TOTAL REQUEST		5.0	\$417,235	5.0	\$393,920
<i>General Fund:</i>					
<i>Cash funds:</i>					
<i>Reappropriated Funds:</i>		<i>5.0</i>	<i>\$417,235</i>	<i>5.0</i>	<i>\$393,920</i>
<i>Federal Funds:</i>					

R-2 IDD Staffing Request - Appendix B - Workload Assumptions

Activity	Hours per instance		Surveyors per survey	AA III	PA II	GP IV	GP V	Number of instances per year	Extended Hours						Total
	HP III	HP V							HP III	HPV	AA III	PA II	GP IV	GP V	
Initial Application Technical Assistance		1.50	1.00	1.50	4.00	0.00	0.25	72	0.00	108.00	108.00	288.00	0.00	18.00	522.00
Initial Application Processing		1.50	1.00	8.00	0.25	0.00	1.00	72	0.00	108.00	576.00	18.00	0.00	72.00	774.00
Initial Application Fitness Review		1.50	1.00	0.50	4.00	0.00	0.50	72	0.00	108.00	36.00	288.00	0.00	36.00	468.00
Certification Application Review – Technical Assistance		3.00	1.00	4.75	2.25	0.00	1.00	24	0.00	72.00	114.00	54.00	0.00	24.00	264.00
Fitness Review		1.50	1.00	0.50	2.00	0.00	0.25	24	0.00	36.00	12.00	48.00	0.00	6.00	102.00
Surveys of large agencies															
Scheduling		1.00	1.00	1.00				74	0.00	74.00	74.00	0.00	0.00	0.00	148.00
On site	34.75		3.10					74	7,971.65	0.00	0.00	0.00	0.00	0.00	7,971.65
Off Site	20.50		3.10					74	4,702.70	0.00	0.00	0.00	0.00	0.00	4,702.70
Plan of correction review	1.75		3.10					74	401.45	0.00	0.00	0.00	0.00	0.00	401.45
Supervisor Review		4.25	1.00					74	0.00	314.50	0.00	0.00	0.00	0.00	314.50
Travel	7.00		3.10					74	1,605.80	0.00	0.00	0.00	0.00	0.00	1,605.80
Surveys of small agencies															
Scheduling		1.00	1.00	1.00				53	0.00	53.00	53.00	0.00	0.00	0.00	106.00
On site	16.25		1.10					53	947.38	0.00	0.00	0.00	0.00	0.00	947.38
Off Site	13.25		1.10					53	772.48	0.00	0.00	0.00	0.00	0.00	772.48
Plan of correction review	1.25		1.10					53	72.88	0.00	0.00	0.00	0.00	0.00	72.88
Supervisor Review		3.25	1.00					53	0.00	172.25	0.00	0.00	0.00	0.00	172.25
Travel	3.50		1.10					53	204.05	0.00	0.00	0.00	0.00	0.00	204.05
Initial Surveys															
Scheduling		1.00	1.00	1.00				75	0.00	75.00	75.00	0.00	0.00	0.00	150.00
On site	4.25		1.00					75	318.75	0.00	0.00	0.00	0.00	0.00	318.75
Plan of correction review	1.25		1.00					75	93.75	0.00	0.00	0.00	0.00	0.00	93.75
Supervisor Review		1.75	1.00					75	0.00	131.25	0.00	0.00	0.00	0.00	131.25
Travel	2.00		1.00					75	150.00	0.00	0.00	0.00	0.00	0.00	150.00
Desk Reviews															
Scheduling		1.00	1.00	1.00				18	0.00	18.00	18.00	0.00	0.00	0.00	36.00
Documentation Review	2.75		1.00					18	49.50	0.00	0.00	0.00	0.00	0.00	49.50
Technical Assistance	0.75	0.50	1.00					18	13.50	9.00	0.00	0.00	0.00	0.00	22.50
Plan of correction review	1.25		1.00					18	22.50	0.00	0.00	0.00	0.00	0.00	22.50
Supervisor Review		1.50	1.00					18	0.00	27.00	0.00	0.00	0.00	0.00	27.00
Survey Revisits															
Scheduling			0.00	1.00				75	0.00	0.00	75.00	0.00	0.00	0.00	75.00
On site	3.75		1.10					75	309.38	0.00	0.00	0.00	0.00	0.00	309.38
Off Site	5.00		1.10					75	412.50	0.00	0.00	0.00	0.00	0.00	412.50
Plan of correction review	1.00		1.10					75	82.50	0.00	0.00	0.00	0.00	0.00	82.50
Supervisor Review		0.75	1.00					75	0.00	56.25	0.00	0.00	0.00	0.00	56.25
Travel	3.50		1.10					75	288.75	0.00	0.00	0.00	0.00	0.00	288.75
Complaints															
Intake and Scheduling	0.50	1.50	1.00	1.00	0.50			30	15.00	45.00	30.00	15.00	0.00	0.00	105.00
On site	8.50		1.00					30	255.00	0.00	0.00	0.00	0.00	0.00	255.00
Off Site	7.50		1.00		0.50			30	225.00	0.00	0.00	15.00	0.00	0.00	240.00
Plan of correction review	0.75		1.00					30	22.50	0.00	0.00	0.00	0.00	0.00	22.50
Supervisor Review		1.25	1.00					30	0.00	37.50	0.00	0.00	0.00	0.00	37.50
Travel	3.50		1.00					30	105.00	0.00	0.00	0.00	0.00	0.00	105.00
Critical Incident Reports	1.75	1.50	1.00	0.50				1,100	1,925.00	1,650.00	550.00	0.00	0.00	0.00	4,125.00
Informal Deficiency Review	2.00	4.00	1.00	0.25				7	14.00	28.00	1.75	0.00	0.00	0.00	43.75
Intermediate Action	9	9	1	2		16		5	45.00	45.00	10.00	0.00	80.00	0.00	180.00
Denial or Revocation	121.25	26	1	12		72	8	1	121.25	26.00	12.00	0.00	72.00	8.00	239.25
DIDD QMAP Process															
Nurse Registration	0.25	0	1	0.15				36	9.00	0.00	5.40	0.00	0.00	0.00	14.40
Student registration	0.05	0	1	0.1				2850	142.50	0.00	285.00	0.00	0.00	0.00	427.50
Total hours									21,298.75	3,193.75	2,035.15	726.00	152.00	164.00	27,569.65
Total FTE										10.2	1.5	1.0	0.3	0.1	13.3
Sub total of recertification surveys									127.0						
Sub total of initial surveys									75.0						
Sub total of complaint surveys									30.0						

R-2 IDD Staffing Request - Appendix C - Survey and Backlog Load

	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17 projections	FY 17-18 projections	FY 18-19 projections
Total # of PASAs	209 ^[1]	244 ^[2]	256 ^[3]	293 ^[4]	335 ^[5]	380	455	530
Initial surveys required	Desk review	Desk review	Desk Review	On-site initials began 7/1/14	45	75	75	75
Initial surveys completed	n/a	n/a	n/a	46	38	75	75	75
New PASAs	35	11	37	42	38	75	75	75
Re-certs required^[9]	70	82	86	98	112	127	152	177
Re-certs completed	63	25	34	29	46	70	152	177
Re-certifications not completed	7	57	52	69	66	57	0	0
Complaints required/rcvd	5	1	1	20	20	30	40	50
Complaints completed by survey team	5	1	1	20	20	30	40	50
Complaints deferred to CCB or other investigative	51	16	0	0 ^[14]	n/a	n/a	n/a	n/a
	173	219	214	262	282	358.3333333	418.3333333	478.3333333

[1] FY 2011-12 through 7/1/14 on site initial surveys were not done. Only desk reviews of applications.

As of February 8, 2012

[2] As of April 16, 2013

[3] As of October 16, 2013

[4] As of November 17, 2014

[5] As of June 30, 2016

[6] Taken from Initial Agency Survey Tracking document

[7] The 7 initials surveys not yet completed are either on hold due to the agency's request, or are yet to be scheduled into the workload.

[35](#)

[9] Should include 1/3 of all PASAs as survey is required every 3 years.

[10] Prior to July 1, 2014 the IDD survey team completed individual service type's surveys, not agency/PASA wide (e.g., looked at Day Hab, then Residential, etc.)

[11] Taken from July 2011-June 2012

[12] Indicates number of on-site investigations required; at this time many complaints were deferred to the CCB's for response and investigation.

[13] Taken from historical complaint log

[14] At this point in time, the survey team no longer deferred complaints to the CCBs and instead investigated them all as a unit.