

**Line Item Descriptions**  
**EXECUTIVE DIRECTOR'S OFFICE**

**PERSONAL SERVICES**

The Executive Director's Office provides leadership and support for many natural resource issues that cross divisional lines and affect many elements of society. The Executive Director's Office's 43.8 FTE are responsible for the overall administration of the Department. These FTE provide services and leadership to the Department as a whole in the areas of policy, accounting, human resources, purchasing, and budgeting. Funding is entirely through indirect cost recoveries collected from the divisions of the Department.

The Fiscal Year 2007-08 appropriation for Personal Services included two new FTE and \$214,319 (including \$100,333 to annualize salary survey) in additional funding. The two new appropriated FTE were for a National Energy Policy Act Coordinator (NEPA Coordinator) and for an Assistant Director of Energy.

Included in the FY 2008-09 appropriation was \$19,256 General Fund and 0.4 FTE which was to be used in the implementation of the contract monitoring bill; S.B. 07-228. During supplemental figure setting the appropriation to this line was reduced by \$96,583. This included a net-zero refinance of General Fund for Reappropriated Funds to capture savings on the Operating line from reduced cellular phone bills. It also included \$7,415 in reduced costs on the Departments Employee Data System (EDSYS) contract, and \$84,240 in one-time savings from a statewide hiring freeze. Lastly, 1.6 FTE were reduced from this line and \$4,928 was transferred from this line to the newly created Management and Administration of OIT line as part of the ongoing consolidation of IT services.

For FY 2009-10 the Division was appropriated \$243,693 in additional funding. This amount included increases of \$235,798 to annualize FY 2008-09 salary survey and performance based pay awards, \$84,240 to restore the FY 2008-09 hiring freeze cut, and \$22,099 and 0.4 FTE to annualize the 0.8 FTE appropriated to perform contract monitoring in S.B. 07-228. The General Assembly also passed S.B. 09-158 which provides the Division with \$50,000 to research private land conservation incentives. The final appropriation was reduced by a personal services cut of 1.82%, or \$97,089, to help balance the budget. After the beginning of the fiscal year the Department submitted an early supplemental as part of the Governor's budget balancing plan. This supplemental reduces the current year appropriation by \$96,776 and 1.0 FTE in order to eliminate the NEPA Coordinator position.

The FY 2010-11 budget is a reduction of \$1,428,744 over the FY 2009-10 budget. The majority of this reduction is the transfer of \$1,403,917 and 15.0 FTE to the information technology POTS to fund the Governor's Office of Information Technology. Other

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changes include the removal of the one-time \$50,000 funding provide in S.B. 09-158 for research into private land conservation incentives, restoration of the \$97,089 personal services cut, restoration of \$31,227 to account for furlough savings, a \$103,143 reduction in the State's portion of employee PERA contributions, and a net-zero refinance of \$103,747 in General Fund based on a revised indirect cost plan. The final FY 2010-11 appropriation was reduced by \$32,171 as part of a August early supplemental cutting 1% of General Fund personal services lines.

The FY 2011-12 request is for an decrease of \$72,230 in reappropriated funds. This is composed of a \$70,972 increase due to the expiration of SB 10-146 which reduced the State's contribution to employee PERA accounts, a \$66,881 decrease to reinstitute the PERA swap (requires legislation), and a decrease of \$38,870 due to the annualization of the 1% personal services cut to a 2% cut.

*NOTE: All remaining lines in this Budget Narrative reflect the centrally-appropriated "POTS" funds that benefit all of the Department's agencies. Costs for each line are allocated out to divisions within the Department.*

### **HEALTH, LIFE, AND DENTAL**

This insurance benefit is part of the POTS component paid jointly by the State and State employees on a predetermined rate based on the type of package that each employee selected (e.g., Employee, Employee + 1, Employee + Spouse, etc). Funds appropriated here are allocated to all divisions within the Department.

The Department's Health, Life, and Dental (HLD) appropriation is requested based on findings in the Department of Personnel and Administration's total compensation survey.

The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department's Base Reduction Item #1 "Eliminate General Fund Support of State Parks." The request also includes a decrease of \$18,571 in order to reflect a reduced availability of State paid benefits for part-time employees.

### **SHORT-TERM DISABILITY**

This state-paid insurance provides for the partial replacement of salary if the employee becomes disabled. Starting with FY 2009-10, the Department's Short-term Disability is calculated at 0.155% of salaries. In previous years it was calculated at .13% of salaries.

The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department's Base Reduction Item #1 "Eliminate General Fund Support of State Parks."

**H.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT**

The Amortization Equalization Disbursement (AED) increases the employer contribution to the PERA Trust Fund to amortize the unfunded liability in the Trust Fund beginning in January 2006. The Budget Request for this line is computed per instructions from the Office of State Planning and Budgeting. The rate is provided in statute and the appropriation is calculated using the sum of base salaries, Salary Survey and range adjustments. The following chart shows the rate by calendar year and fiscal year.

Date	AED	Fiscal Year	Full year CF / FF AED	Full year GF AED
January 1, 2006	0.50%			
January 1, 2007	1.00%	06-07	0.75%	0.71%
January 1, 2008	1.40%	07-08	1.20%	1.17%
January 1, 2009	1.80%	08-09	1.60%	1.57%
January 1, 2010	2.20%	09-10	2.00%	1.97%
January 1, 2011	2.60%	10-11	2.40%	2.37%
January 1, 2012	3.00%	11-12	2.80%	2.77%
January 1, 2013	3.00%	12-13	3.00%	3.00%

The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department’s Base Reduction Item #1 “Eliminate General Fund Support of State Parks.”

**S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT**

The Supplemental Amortization Equalization Disbursement (SAED) increases the employee’s contribution to the PERA Trust Fund to amortize the unfunded liability beginning January 2008. It is similar to the Amortization Equalization Disbursement discussed above; however, it is paid by the employees via foregone salary increases. The rate is provided in statute and the appropriation is calculated using the sum of base salaries, Salary Survey and range adjustments. The following chart shows the rate by calendar year and fiscal year.

Date	SAED	Fiscal Year	Full year CF / FF SAED	Full year GF SAED
January 1, 2006	n/a			
January 1, 2007	n/a	06-07	0.00%	0.00%

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January 1, 2008	0.50%	07-08	0.25%	0.21%
January 1, 2009	1.00%	08-09	0.75%	0.71%
January 1, 2010	1.50%	09-10	1.25%	1.21%
January 1, 2011	2.00%	10-11	1.75%	1.71%
January 1, 2012	2.50%	11-12	2.25%	2.21%
January 1, 2013	3.00%	12-13	2.75%	2.71%

The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department’s Base Reduction Item #1 “Eliminate General Fund Support of State Parks.”

**SALARY SURVEY AND SENIOR EXECUTIVE SERVICE**

Salary Survey and Senior Executive Service was not requested for FY 2011-12 due to budget constraints.

**PERFORMANCE-BASED PAY AWARDS**

Performance-based pay was not requested for FY 2011-12 due to budget constraints.

**SHIFT DIFFERENTIAL**

This line item represents funds appropriated in order to give differential pay to employees who work hours outside of regular business hours. The appropriation and request are developed based on 80% of previous year actual expenditures.

The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department’s Base Reduction Item #1 “Eliminate General Fund Support of State Parks.”

**WORKERS COMPENSATION**

Workers’ Compensation is a statewide allocation to each department based upon historic usage. This line item provides funding for payments made to the Department of Personnel and Administration to support the State’s self-insured program. The cost basis is developed relative to estimated claim payouts, purchased professional services (actuarial and broker costs), and Common Policy adjustments. The Department of Personnel and Administration’s actuaries determine departmental allocations. Splits amongst Divisions are based on a rolling three year average of the percentage of claims each division generates.

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The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department's Base Reduction Item #1 "Eliminate General Fund Support of State Parks."

### **OPERATING EXPENSES**

This line item includes both the Executive Director's Office operating costs and capital outlay. Capital outlay is typically spent on computers, furniture and other one-time purchases. A portion of this line is also annually held aside in a technology fund for IT projects that benefit all divisions within the Department. The total appropriation amount for this line changes very little from year to year. For FY 2010-11, this line item included a reduction of \$9,197 RF, reflecting a statewide 5% operating reduction in General Fund operating lines. To achieve the \$9,197 in savings as General Fund, the indirect cost recoveries saved in this line item were used to refinance (reduce) General Fund in the EDO Personal Service line item.

The FY 2011-12 request includes an increase of \$163 dollars to reflect that the Department of Personnel and Administration will be directly billing Departments for the cost of printing warrants and mainframe documents.

### **LEGAL SERVICES**

Most of the divisions within the Department of Natural Resources rely heavily on legal services purchased from the Department of Law (Attorney General's Office). DNR is appropriated legal services at the "blended rate," a figure that representing a blend of the actual hourly rate for attorneys and paralegals. The blended rate is calculated annually by the Joint Budget Committee.

In FY 2007-08, an additional 900 hours (\$64,827 CF) for the Mined Land Reclamation Board and 1,000 hours (\$72,030 CF) for the Minerals program were approved. These additional hours were requested to research and develop regulations and other actions driven by the re-establishment of oil shale activity in Colorado; protection of public health and safety and the adequate, ongoing legal protections for the Division also drove this request. The FY 07-08 DNR Legal Services appropriation also reflected a 900-hour (\$15,494 CF and \$49,333 CFE) increase to the State Land Board earmarked specifically for State Land Board mineral royalty audit legal work. The Division of Wildlife received an increase of 1,600 hours (\$115,248 CFE) to help deal with the increased number and complexity of property easements entered into by the Division. Finally, action by the JBC re-financed the State Parks portion of the Department's Legal Services line – 3,902 hours at \$72.03 was changed from \$281,061 GF to \$84,318 GF *and* \$196,743 CF.

In FY 2008-09 the Department requested and received a continuation appropriation of 43,952 hours. The amount of General Fund in this line was not adjusted from FY 2007-08 and therefore the fund splits did not reflect the number of hours allocated to each division.

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As part of the FY 2008-09 supplemental the Division of Parks and Outdoor Recreation refinanced \$50,000 of its General Fund appropriation with Cash Funds.

In FY 2009-10 the Department requested and received a continuation appropriation of 43,952 hours.

In FY 2010-11, the Department initially requested a continuation appropriation of 43,952 hours. Subsequent to the initial budget submission, the Department submitted a supplemental request for an additional 1,458 hours (\$109,904) to help meet the growing caseload for the Colorado Water Conservation Board (CWCB). Prior to FY 2009-10, CWCB’s expenditures for legal services had exceeded its annual allocation every year since FY 2004-05. In addition, beginning in 2009 CWCB faced new, more stringent deadlines for resolving water disputes. The Departmental request for 1,458 additional hours was approved, resulting in an overall Department appropriation of 45,410 hours (\$3,331,732) for FY 2010-11.

In FY 2011-12, the Department is requesting a continuation appropriation of 45,410 hours. The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department’s Base Reduction Item #1 “Eliminate General Fund Support of State Parks.”

FY 2011-12	
Executive Director's Office	522
DRMS - Coal	763
DRMS - MSTP	85
DRMS - Inactive Mines	66
DRMS - Minerals + MLRB	5,681
Colorado Geological Survey	18
Oil & Gas Conservation Commission	2,031
State Land Board	7,008
Division of Parks & Outdoor Recreation	3,902

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Colorado Water Conservation Board	6,218
Division of Water Resources	11,274
Division of Wildlife	7,842

**PURCHASE OF SERVICES FROM COMPUTER CENTER**

This appropriation represents funding for the Department’s use of centralized computer services. The Department of Personnel and Administration operates a computer center, formerly known as the General Government Computer Center, as a service to other departments in State government. The total need to fund the General Government Computer Center is multiplied by a prior year’s usage ratio for each State department. The Department of Personnel and Administration and the Office of State Planning and Budgeting calculate and communicate these allocations through the Common Policies instructions.

Starting in FY 2010-11, this line item will be used to pay for a majority of the Information Technology Staff provided to the Department through the Governor’s Office of Information Technology (OIT). This change reflects the passage of S.B. 08-155, which consolidated IT Staff statewide in OIT. As part of this process, 64.0 FTE within the Department of Natural Resources were transferred to OIT. So that DNR could continue to pay for IT Staff assistance, the appropriations for Purchase of Services from Computer Center Multiuse Network Payments were correspondingly increased. As part of a statewide decision item in FY 2010-11 (Statewide Decision Item #1: Statewide Information Technology Staff Consolidation), the Purchase of Service from Computer Center line item appropriation was increased by \$4,107,073.

The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department’s Base Reduction Item #1 “Eliminate General Fund Support of State Parks.”

**MULTIUSE NETWORK PAYMENTS**

This line item is used to pay the Department’s share of the statewide multiuse network (MNT). DNR participates in the MNT to provide high-speed broadband capabilities to state offices throughout Colorado. The Joint Budget Committee established this line item in FY 2002-03 as a means of tracking the costs of the multiuse network.

Starting in FY 2010-11, this line item will be used to pay for some of the Information Technology Staff provided to the Department through the Governor’s Office of Information Technology (OIT). This change reflects the passage of S.B. 08-155, which consolidated

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IT Staff statewide in OIT. As part of this process, 64.0 FTE within the Department of Natural Resources were transferred to OIT. So that DNR could continue to pay for IT Staff assistance, the appropriations for Purchase of Services from Computer Center Multiuse Network Payments were correspondingly increased. As part of a statewide decision item in FY 2010-11 (Statewide Decision Item #1: Statewide Information Technology Staff Consolidation), the Multiuse Network Payments line item appropriation was increased by \$857,802.

The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department's Base Reduction Item #1 "Eliminate General Fund Support of State Parks."

### **MANAGEMENT AND ADMINISTRATION OF OIT**

This allocation refers to what is commonly referred to as Governor's Office of Information Technology (OIT) "Back-Office" billings. Senate Bill 08-155 provided for this new function (and associated billings to agencies) in OIT effective starting in FY 2008-09. This is also intended to reflect the refinance of the previously state General Funded OIT Administration unit effective with FY 2008-09. This line was created by supplemental during FY 2008-09. In FY 2010-11, this line item was increased by \$308,726 to reflect the consolidation of information technology staff within OIT, including 64.0 FTE that were transferred from DNR to OIT.

The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department's Base Reduction Item #1 "Eliminate General Fund Support of State Parks."

### **PAYMENTS TO RISK MANAGEMENT AND PROPERTY FUNDS**

Payment to Risk Management and Property Funds is an allocation appropriated to each department based on a shared statewide risk formula for two programs, the Liability Program and the Property Program. The state's liability program is used to pay liability claims and expenses brought against the state. The property program provides insurance coverage for state buildings and their contents. A portion of the Department's property insurance payment includes "Flood Zone A" insurance. The divisional shares are calculated based on three factors: a division's proportionate share of DNR's total building and contents value, number of FTE (liability exposure), and Flood Zone A premiums.

### **VEHICLE LEASE PAYMENTS**

Funds provided through this line enable the Department to lease vehicles from State Fleet Management in the Department of Personnel and Administration. Eight of the Department's 10 divisions lease vehicles to perform their work. The Department drives



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approximately 1,300 vehicles an average of 14 million miles each year in the course of business. The cost of each lease is based on the purchase price of the vehicle selected and the terms of the lease agreement.

The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department's Base Reduction Item #1 "Eliminate General Fund Support of State Parks." The request also includes a reduction of \$462,724 primarily due to vehicles coming off lease and a limited number of replacement vehicles ordered during FY 2010-11 and in the request.

### **INFORMATION TECHNOLOGY ASSET MAINTENANCE**

Funds provided through this line item enable the Department to maintain and replace its IT systems. Cost from this line cover such expenses such as annual IT support and maintenance agreements with hardware and software vendors, new and replacement equipment, computer supplies, data communication charges, utilities and other related costs. The appropriation for this line item has remained at \$282,477 since FY 2008-09.

The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department's Base Reduction Item #1 "Eliminate General Fund Support of State Parks." The request also includes a reduction of \$15,488 for the Department's requested Budget Reduction #4 "IT Asset Maintenance Coal Adjustment." This funding was originally for support of a system that is no longer in use and is not currently being used for the same purposes as the rest of the funding on this line.

### **LEASED SPACE**

The mission of the Department of Natural Resources encompasses the entire state, and for reasons of efficiency and proximity to specific project areas DNR's divisions operate a number of satellite offices throughout Colorado. In many instances, divisions are statutorily required to operate offices in specific counties and/or congressional districts statewide. In almost all cases leasing operational space for staff is more practicable than purchasing or constructing space. For FY 2011-12, DNR's divisions anticipate managing 45 leases statewide, encompassing approximately 113,000 square feet. Additionally, divisions lease a total of 32 parking spaces (via 3 separate lease agreements).

The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department's Base Reduction Item #1 "Eliminate General Fund Support of State Parks." The request also includes an increase of \$12,773 for the Department's requested Decision Item #6 "Adjustments to Leased Space."

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**CAPITOL COMPLEX LEASED SPACE**

This line item is used to pay the Department of Personnel and Administration for the costs of maintaining state buildings that are part of the capitol complex. Capitol Complex Leased Space is appropriated based on usable square footage utilized by each state department. Currently, for the Department of Natural Resources, this includes 69,107 square feet of space at 1313 Sherman Street (Centennial Building). Total square footage leased within the Capital Complex by Natural Resources has not changed in a number of years. Square footage, by division, is shown in the table below.

FY 2010-11	
Executive Director's Office	13,552
DRMS - Coal	4,892
DRMS - MSTP	1,224
DRMS - Inactive Mines	4,602
DRMS - Minerals	4,432
Colorado Geological Survey	5,340
Oil & Gas Conservation Commission	0
State Land Board	0
Division of Parks & Outdoor Recreation	12,635
Colorado Water Conservation Board	5,178
Division of Water Resources	17,252
Division of Wildlife	0

The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department's Base Reduction Item #1 "Eliminate General Fund Support of State Parks."

**COMMUNICATIONS SERVICES PAYMENTS**

This line item is the DNR contribution to pay for the Department of Personnel and Administration's role in planning, coordinating, and integrating the public safety networks for the Departments of Public Safety, Transportation, Corrections, and Natural Resources.

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Local agencies also use this network. These networks operate through land-based, mobile, and microwave technology. Beneficiaries of these services within the Department include both law enforcement agencies – the Divisions of Parks and Outdoor Recreation as well as the Division of Wildlife. As part of a FY 2010-11 Statewide Decision Item, the appropriation for this line item was reduced by \$7,032 in FY 2010-11 to a total appropriation of \$981,206

The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department's Base Reduction Item #1 "Eliminate General Fund Support of State Parks."

**(2) DIVISION OF RECLAMATION, MINING, AND SAFETY**

**(A) Coal Land Reclamation**

**Program Costs**

The Coal Land Reclamation appropriation, under other titles, originated in 1970 with funding from the state's general fund. In 1978 the program received preliminary federal grant funds. By 1980 Colorado was granted full state primacy for regulation of coal mines and exploration in the state following passage of the federal Surface Mining Control and Reclamation Act (SMCRA), Title V of 1977. It was at that time that a separate line was created specifically for Coal regulation funding. The line is currently funded 79 percent from a federal grant from the U.S. Department of the Interior's Office of Surface Mining (hereafter referred to as OSM) and 21 percent from cash funds/severance tax from the Operational Account of the Severance Tax Trust, which is the required state match percentage in order to receive the OSM grant. The OSM grant also funds the Blasters Certification appropriation under (D) Mines Program in the same federal funds/cash-severance tax ratio. The state match requirement was formerly funded from general fund dollars until FY 2001-02 when all general fund appropriations in DRMS were refinanced with cash funds/severance tax. The 21/79 percent ratio is based upon totals of permitted mine acres that are located on federally owned lands versus state lands in Colorado. The federal mine acreage calculation includes any land within a permit that includes federally owned surface acreage and/or mineral sub-surface acreage.

The Program Costs line funds 23.0 FTE. One FTE was deleted in FY 2002-03 due to insufficient federal grant funds to fund the FTE. During FY 2007-08 and FY 2008-09, salary increases were implemented for inspection/enforcement staff in order to avoid loss of staff to competitive private sector positions (3 FTE had departed from the Minerals Program for oil shale related positions). This has caused 2 FTE to remain unfunded in the Coal Program.

In FY 2009-10 and FY 2010-11, budget balancing actions were taken on personal services appropriations related to employee non-paid furlough days (FY 2009-10) and PERA state share reductions (FY 2010-11) and on operating appropriations for postage and mail equipment changes. The PERA state share reduction is restored in the FY 2011-12 appropriation. non-prioritized decision item #4 requests a reinstatement of the PERA adjustment for a \$40,204 reduction in the appropriation to this line. The FY 2011-12 request also includes an increase of \$86 to reflect the fact that the Department of Personnel and Administration will begin directly billing departments for the cost of printing warrants and mainframe documents.

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From FY1997-98 through FY 2007-08, excluding FY 2003-04, the federal grant amount received did not fulfill 79 percent of the allowable state appropriations number per the “21 percent state match/79 percent federal funding” ratio described above. To maintain the total allowable state appropriation in order to avoid temporary staff layoffs, the General Assembly approved financing the shortfall with additional cash funds/severance tax in order to maintain the total Option 8 appropriation level. These additional cash funds were labeled as *Coal Support* lines from FY1997-98 through FY 2004-05; then were combined on the *Program Costs* line starting in FY 2005-06. Table A shows an example of how this shortfall financing is calculated, which includes the Blasters Certification appropriation totals. Federal funds were adequate to cover 79 percent of the combined costs in FY 2008-09 through FY 2010-11; therefore, the fund split adjustment was not required. Due to the federal grant being on a calendar year timeframe, half of the financing for the FY 2011-12 Coal/Blasters Certification lines is based on estimated grant amount. A final fund split review/adjustment is made during the Joint Budget Committee’s figure-setting process based on any changes to the federal grant number and to POTs and indirect amounts. The FY 2011-12 request includes Decision Item #1 “Coal Regulatory Program Refinance” which is a net-zero refinance of Federal Funds with Cash Funds \ Severance Tax in the amount of \$273,306, as calculated in the table below.

Table A – Example of Financing of Coal and Blasters Certification Appropriations – Use of Coal Support Line Item

The “target” funding split of 79 percent federal funds and 21 percent state cash funds match is based on the percentage of Colorado coal mines operating on federal lands vs. non-federal lands and is set by OSM. A federal grant estimate is applied to the Coal Program Costs, Indirect and Blasters Certification Long Bill lines (funded from the same federal grant) and to Coal/Blasters centrally appropriated POTs at the target rate of 79 percent. If the federal grant estimate does not cover 79 percent of the specified lines, cash funds-severance tax has been increased above the target rate of 21 percent to cover the state allowable base funding (per Common Policies). The financing adjustment to cash/federal funds is shown on the Coal Program Costs line.

<b>TABLE A</b>				
	A	B	C	D
	<b>Coal and Blasters Certification Financing Calculation</b>	<b>TF</b>	<b>CF</b>	<b>FF</b>
1	Coal Program Costs (Option 8) <i>Financing fund split adjustment is made on this line – see adjusted Coal “Program Costs” in Row 13 below.</i>	2,173,608	455,864	1,717,744
2	Coal Indirect	147,199	25,999	121,200
3	Blasters Certification Program (Option 8)	109,486	22,842	86,644

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4	Coal POTs - 21%CF/79%FF	374,909	78,731	296,178
5	Blasters POTs - 21%CF/79%FF	9,959	2,091	7,868
6	<b>Total Costs - prior to financing adjustment</b>	<b>2,815,161</b>	<b>585,527</b>	<b>2,229,634</b>
<b>Federal Grant Estimate – To be revised during Figuresetting</b>				
7	1/2 2010 federal grant estimate (amount requested by Office of Surface Mining-not yet approved by U.S. Congress)			978,164
8	1/2 2011 federal grant estimate			978,164
9	<b>Total Federal Grant Estimate</b>			<b>1,956,328</b>
<b>Financing Adjustment:</b>				
10	(1) Adjust federal funds up or down depending on grant estimate compared to federal funds total shown in Row 6/Column D. Make this adjustment again on Row 15 if not reversed in Row 13.		273,306	(273,306)
11	(2) Reverse values in Row 12 if federal funds estimate exceeds federal amount in Row 6/Column D (maintain 21% CF/79% FF fund split overall).		N/A	N/A
12	Final Total Coal/Blasters Fund Split	2,815,161	858,833	1,956,328
13	<b>Adjusted Coal “Program Costs” line funding split (fund split adjustment is made on this Long Bill line)</b>	<b>2,173,608</b>	<b>729,170</b>	<b>1,444,438</b>
			<b>33.5%</b>	<b>66.5%</b>

*For the actual appropriation amounts, refer to the DRMS Schedule 3 document within this budget request.*

**Indirect Cost Assessment**

This appropriation, which funds the Department of Natural Resources Executive Director’s Office (EDO) is based on calculations derived by the EDO budget staff based on personal services expenditures from the most recent “closed” fiscal year (FY 2009-10 for FY 2011-12 budget request). The Coal indirect cost assessment is funded from cash funds/severance tax and federal grant funds. Federal indirect rates are approved by the Department of the Interior and applied when collecting federal indirect from federal grants. During the fiscal year, the federal indirect is assessed on 79 percent of the Coal personal services costs (based on the 21/79 ratio). Due

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to vacancy savings, the target federal indirect amount shown in the Long Bill could be under collected. The cash indirect amount is fully collected.

*For the actual appropriation amounts, refer to the DRMS Schedule 3 document within this budget request.*

### **(B) Inactive Mines**

#### **Program Costs**

The Inactive Mines Program Costs appropriation is comprised of two funding sources -- an OSM federal grant and cash funds from the Operational Account of the Severance Tax Trust Fund. The federal portion of the appropriation originated in 1984 after the state programs were established in 1980 [Section 34-33-133, C.R.S. (2008)] following passage of the federal Surface Mining Control and Reclamation Act (SMCRA) of 1977. The federal funding is contingent on the state having an approved coal mining regulatory program under Title V of SMCRA [see (A) Coal Land Reclamation] and are distributed from the U.S. Department of the Interior's Office of Surface Mining (OSM) -- no state match amount is required on the grant. The federal grant funds can only address sites that were mined prior to passage of SMCRA (referred to as "pre-law" sites) -- mining permitted after 1977 were required to post a reclamation bond that was intended to fund any incomplete reclamation if the mine operator failed financially. The program was launched with a comprehensive inventory of mine openings and land disturbances associated with past mining activities, which revealed an estimated 23,000 hazardous mine openings. Since 1980, approximately 7,800 abandoned mine sites have been addressed through this program. Thirty-seven coal mine fires pending safeguarding and containment and subsidence issues impacting residential housing built over abandoned coal mines are issues that are also eligible for this funding. The federal grant funds are not authorized for use to remedy post-mining environmental/ water quality issues at the pre-1977 sites.

The Long Bill shows only the administrative portion of the federal grant funds, although it shows all FTE for the program. The non-appropriated portion of the OSM federal grant that is appropriated for three fiscal years and directly funds reclamation/safeguarding projects is not shown in the Long Bill. The projects are not considered state capital construction projects because the work is not performed on state-owned land/property. The project portion of the federal grant is available for 3 field seasons that are restricted due to the high elevation of historic mining areas; therefore, a shortened construction season.

Reauthorization of the SMCRA law in December 2006 authorized distribution to the states of funds that were retained at the federal level since 1980. These set-aside funds will be allocated to Colorado from FY 2008-09 through FY 2014-15 and total nearly \$30 million above the annual base program funding of \$2.4 million. Change Request #18 in FY 2008-09 increased the federal

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appropriation amount in the Long Bill and added 6 FTE to manage/administer the increased number of safeguarding/coal fire mitigation projects to be accomplished with the new funds. Following this FTE changes, the Inactive Mines Program Costs line currently shows a total of 18.4, which represents the total FTE for the program. A significant portion of the costs of these FTE is charged to the non-appropriated side of the federal grant; therefore, numerous FTE show as a reversion each year from the Long Bill total. In FY 2010-11, the consolidation of statewide information technology functions in the Office of Information Technology caused 2 FTE to be removed from the Inactive Mines Program Costs line, leaving a total of 16.4 FTE.

The cash/severance tax portion of the Inactive Mines Program Costs line was initiated through state Senate Bill 05-190, which authorized annual appropriations of \$500,000 to this line from the Operational Account of the Severance Tax Trust Fund and created the Abandoned Mine Reclamation Fund, which earns interest on the fund balance. The purpose of these funds is to enable the program to complete a greater number of projects to safeguarding abandoned mine hazards per year and to provide a funding source that can address post-mining environmental issues (the federal grant described above is not allowed to address those issues). Per the statute, this funding is contingent on compliance with the division's total allowable severance tax percentage (25 percent) from the Operational Account of the Severance Tax Trust Fund per the severance tax statutes, Section 39-29-109, C.R.S. (2008). Each annual appropriation is allowed to be spent over three consecutive fiscal years per a footnote notation to accommodate limited construction seasons at high-elevation and harsh weather sites.

Change Request DNR #10 was approved for FY 2009-10, which provides \$20,000 annual spending authority for interest earned on the \$500,000 cash funds/severance tax in the Abandoned Mine Reclamation Fund. The ability to spend an additional \$20,000 per year enables more mine openings to be safeguarded each year.

In FY 2009-10 and FY 2010-11, budget balancing actions were taken on personal services appropriations related to employee non-paid furlough days (FY 2009-10) and PERA state share reductions (FY 2010-11) and on operating appropriations for postage and mail equipment changes. The PERA state share reduction is restored in the FY 2011-12 base. The FY 2011-12 request includes a reinstatement of the PERA Adjustment. This results in a reduction of \$29,166. The FY 2011-12 request also includes an increase of \$67 to reflect the fact that the Department of Personnel and Administration will begin directly billing departments for the cost of printing warrants and mainframe documents.

*For the actual appropriation amounts, refer to the DRMS Schedule 3 document within this budget request.*



**Mine Site Reclamation**

The Mine Site Reclamation line originated in FY 2001-02 for the purpose of providing grants to local districts to serve as matching funds to obtain federal “319” grants from the Environmental Protection Agency/Clean Water Act. The funds are used to mitigate water quality problems associated with past mining operations. The federal grant funds described above are not allowed to be spent on water quality problems related to abandoned mine sites and severance tax revenue was considered an appropriate use of a tax that is partially paid by the mining industry to remedy mining-related environmental problems. The funding was increased from \$125,000 to \$375,000 in FY 2006-07 and 1.2 FTE were allocated to the line to cover staff services to manage the grant distribution process and to provide project management assistance. The line also includes \$30,000 reappropriated funds for transfer of federal pass-through funds from the Colorado Department of Public Health and Environment (hereafter referred to as CDPHE) to support the project management costs. The FY 2011-12 request includes a reinstatement of the PERA Adjustment. This results in a reduction of \$1,303.

*For the actual appropriation amounts, refer to the DRMS Schedule 3 document within this budget request.*

**Reclamation of Forfeited Mine Sites**

The Reclamation of Forfeited Mine Sites appropriation originated in FY 2007-08 to support inadequate bond amounts posted for “post-law” mine sites (after 1977) where the mining permit was revoked due to operator failure (bankruptcy, death, etc.) and the bond amount was insufficient to cover all remaining reclamation required at the site. The available bond amount is “forfeited” to the state for use in reclamation. The Inactive Mine Reclamation Program has been granted authority from the Mined Land Reclamation Board to manage projects at forfeited sites per its authority cited in Sections 34-32-118(5) and 34-32.5-118(5), C.R.S. (2008) none of the other funds appropriated in the Inactive Mines program can be used on forfeited mine sites per the legislative or budgetary intent of the other appropriations. Each annual appropriation is allowed to be spent over three consecutive fiscal years per footnote notation. Per a change request approved in FY 2008-09, the initial appropriated amount of \$342,000 was extended for that amount to be appropriated in each of five fiscal years (FY 2008-09 through FY 2012-13), with each having a three-year spending cycle. The five year appropriation is documented in the FY 2008-09 Figure Setting document. In FY 2009-10, the funding amount was reduced to \$171,000 for budget balancing purposes in Tier I of the Operational Account of the Severance Tax Trust Fund. It is assumed that the duration for the reduced appropriation level will be extended beyond the original 5-year timeframe to allow completion of the original list of underfunded forfeited mine sites, as that goal was not reduced when the funds were adjusted.

*For the actual appropriation amounts, refer to the DRMS Schedule 3 document within this budget request.*

**Abandoned Mine Safety**

The Abandoned Mine Safety appropriation originated in FY1995-96 from general funds derived from “gaming/casino” districts and targeted safeguarding abandoned mine openings/land disturbances in those counties. In FY 2001-02, the funded was converted to cash funds from severance tax and is currently used to address projects statewide, based on priority needs. The line supports 0.2 FTE for project coordination and funds project costs for use in safeguarding or environmental remediation at any abandoned mine sites, except for forfeited sites that were bonded after 1977. In FY 2009-10, the spending authority was reduced to \$100,000 (\$12,113 was deducted) for budget balancing purposes in Tier I of the Operational Account of the Severance Tax Trust Fund. The FY 2011-12 request includes a reinstatement of the PERA Adjustment. This results in a reduction of \$254.

*For the actual appropriation amounts, refer to the DRMS Schedule 3 document within this budget request.*

**Indirect Cost Assessment**

This appropriation, which funds the Department of Natural Resources Executive Director’s Office (EDO) is based on calculations derived by the EDO budget staff based on personal services expenditures from the most recent “closed” fiscal year (FY 2009-10 for FY 2011-12 budget request). The Inactive Mines indirect cost assessment is funded from cash funds/severance tax and federal grant funds. Federal indirect rates are approved by the Department of the Interior and applied when collecting federal indirect from federal grants. During the fiscal year, the federal indirect is assessed on all personal services costs in the program that are charged to federal grants. Due to vacancy savings, the target federal indirect amount shown in the Long Bill could be under collected. The cash indirect amount is fully collected.

*For the actual appropriation amounts, refer to the DRMS Schedule 3 document within this budget request.*

**(C) Minerals**

**Program Costs**

The Minerals Program Costs appropriation originated in 1975 and strengthened in 1993 for hardrock (metal minerals) mining--Section 34-32-102, C.R.S. (2007) and in 1995 for construction materials (i.e., sand and gravel) mining--Section 34-32.5-102, C.R.S. (2007). The line supports 23.9 FTE and associated operating costs, as well as costs for the Mined Land Reclamation Board. The purpose of the line is to fund regulatory activities for non-coal commodities. The statute also defines that fines paid by operators for mining violations accrue to the state’s general fund.

## Line Item Description - FY 2010-11 Budget Request

The following describes the history of the types of funds that comprise the Program Costs appropriation:

Financing – Cash Funds/Severance Tax (formerly General Funds): Prior to FY02-03, the Program Costs line contained general fund dollars per the legislative intent that *enforcement and other activity that is conducted for the benefit of the general public should be supported by the general fund* [Section 34-32-102(2)(d), C.R.S. (2007)]. The general fund was replaced by cash funds/severance tax in FY 2002-03. Cash funds from severance tax finances the amount of the line that is not financed by fee revenue as described below and is defined in the letternote on the line.

Financing – Fee Revenue: The amount of fee revenue indicated in the Long Bill letter notation is set by DRMS to pace the use of fee revenue for a span of 5-7 years after a legislative fee increase (balances revenue from current year fee collections with an amount taken from over-collected fee revenues that revert to the fund balance). Historically, the amount financed from fund balance was 5 percent of the line after the Option 8 calculation is applied. The duration of fee revenue is contingent on the viability of the mining industry in the state. Fees were most recently increased during the 2007 legislative session (Senate Bill 07-185). Specific fees related to in situ uranium were also approved in SB08-1161. The amount applied to the Program Expenses line from current year fee revenue plus fund balance is defined in the letternote for this line.

The appropriation supports 24.1 FTE, which includes technical regulatory staff, program bond specialist and administrative staff and a share of central administrative staff that support the entire division. The FTE total was increased from 22.9 to 23.9 in FY 2007-08 (through a Change Request) to cover the cost of 1 new FTE, and associated operating costs in the Grand Junction regional office. The new FTE was needed to cover an expanding workload due to new oil shale leases provided through the federal Energy Policy Act of 2005, a projected increase in reactivated uranium permits, and increasing need for construction materials related to the growth in energy industries in western Colorado. HB08-1161 increased the FTE to 24.3 for rulemaking and increased workload associated with proposed in situ uranium permits. The rulemaking related 0.2 FTE ended, leaving 24.1 FTE total for FY 2009-10.

In FY 2007-08 and FY 2008-09, salary increases were implemented for existing inspection/enforcement staff in order to thwart competition with private sector positions (3 FTE departed the division for private positions related to oil shale in FY 2007-08). This has caused 2 FTE to remain unfunded.

In FY 2009-10 and FY 2010-11, budget balancing actions were taken on personal services appropriations related to employee non-paid furlough days (FY 2009-10) and PERA state share reductions (FY 2010-11) and on operating appropriations for postage and mail equipment changes. The PERA state share reduction is restored in the FY 2011-12 appropriation. The FY 2011-12 request includes a reinstatement of the PERA Adjustment. This results in a reduction of \$40,924. The FY 2011-12 request also includes an increase of

## Line Item Description - FY 2010-11 Budget Request

\$90 to reflect the fact that the Department of Personnel and Administration will begin directly billing departments for the cost of printing warrants and mainframe documents.

*For the actual appropriation amounts, refer to the DRMS Schedule 3 document within this budget request.*

### **Indirect Cost Assessment**

This appropriation, which funds the Department of Natural Resources Executive Director's Office (EDO) is based on calculations derived by the EDO budget staff based on personal services expenditures from the most recent "closed" fiscal year (FY 2009-10 for FY 2011-12 budget request). The Minerals program indirect cost assessment is funded from cash funds/severance tax and the amount shown in the Long Bill is fully collected and is not affected by vacancy savings.

*For the actual appropriation amounts, refer to the DRMS Schedule 3 document within this budget request.*

### **(D) Mines Program**

#### **Colorado and Federal Mine Safety Program**

The Colorado and Federal Mine Safety Program appropriation originated in 1976 specific to "Coal Mine Safety." The current appropriation supports 5.0 FTE and associated operating costs and is charged with providing the following: (1) site-specific mine health and safety training and education to Colorado miners, upon request from the mines; (2) production and distribution of new, more effective safety training materials; and (3) inspection of tourist mines and idle or abandoned mines. The appropriation also supports collection and maintenance of coal mine production records. [The health and safety standards that apply to mining operations in the state are located in Title 34, Articles 20-25, C.R.S. (2008) and in Code of Federal Regulations, Title 30, Parts 1-199 (2008).] The program receives annual federal funding from the U.S. Department of Labor, Mine Safety and Health Administration. Beginning with the FY 2001-02 Long Bill, the previous general fund appropriation to the program was changed to cash funds from the Operational Account of the Severance Tax Trust Fund.

The funding sources for this appropriation are based on the following:

Financing – Cash Funds – Fee Revenue: Per the letter notation in the Long Bill for this line, the fees have been set at \$6,000 since FY03-04 based on average fee receipts to the program. Fee collections have increased in recent years, a trend projected to continue;

Line Item Description - FY 2010-11 Budget Request

therefore, the amount applied to this appropriation was increased to \$10,000 in FY 2009-10. This will ensure the fund balance for this fee revenue remains in compliance with SB98-194. Similar action will be taken in future fiscal years if annual revenue levels exceed \$10,000.

Financing – Cash/Severance Tax and Federal Funds: Starting in FY 2001-02, the non-fees portion of this appropriation has been financed first with available federal grant funds, including covering the federal indirect cost amount, and the remainder with cash funds/severance tax. Table B shows the financing calculation for the FY 2011-12 budget request.

<b>Table B</b>				
	A	B	C	D
	<b>Colorado and Federal Mine Safety Program Financing Calculation</b>	<b>TF</b>	<b>CF</b>	<b>FF</b>
1	CO & Federal Mine Safety Line (Option 8) <i>Financing adjustment is made on this line--see Adjusted Mine Safety Program line in Row 6 below.</i>	519,045	328,178	190,867
2	Mines Program – Indirect	32,573	15,802	16,771
3	Total Cost	551,618	343,980	207,638
4	Federal Grant Estimate			210,406
5	Financing Adjustment – adjust CF and FF up or down compared to align with federal grant estimate. Apply same adjustment to “Program Costs” amounts in Row 6.		(2,768)	2,768
6	Adjusted Mine Safety Program line funding split (Indirect amount is not included here)	519,045	325,410	193,635
7	<i>Amount of CF financed from fee revenue</i>		10,000	
8	<i>Remaining CF amount financed from severance tax</i>		318,663	

## Line Item Description - FY 2010-11 Budget Request

In FY 2009-10 and FY 2010-11, budget balancing actions were taken on personal services appropriations related to employee non-paid furlough days (FY 2009-10) and PERA state share reductions (FY 2010-11) and on operating appropriations for postage and mail equipment changes. The PERA state share reduction is restored in the FY 2011-12 appropriation. The FY 2011-12 request includes a reinstatement of the PERA Adjustment. This results in a reduction of \$9,539. The FY 2011-12 request also includes an increase of \$23 to reflect the fact that the Department of Personnel and Administration will begin directly billing departments for the cost of printing warrants and mainframe documents.

### **Blaster Certification Program**

The Blaster Certification Program appropriation originated as a separate line in 1993 and is funded from the same OSM grant that funds the Coal Program. The purpose of the program, which is required by OSM as a condition of state primacy in the Coal Program, is to conduct an examination program for certifying coal mine officials for specific positions, such as electricians, underground mine foreman and fireboss and to provide mine rescue and safety training to miners, as requested. The appropriation is funded in the same ratio as the Coal program - 21 percent cash funds/severance tax (required state match) and 79 percent federal funds. Indirect costs assessed on the Blaster Certification personal services costs are expensed from the Coal indirect cost appropriation.

In FY 2009-10 and FY 2010-11, budget balancing actions were taken on personal services appropriations related to employee non-paid furlough days (FY 2009-10) and PERA state share reductions (FY 2010-11) and on operating appropriations for postage and mail equipment changes. The PERA state share reduction is restored in the FY 2011-12 appropriation. The FY 2011-12 request includes a reinstatement of the PERA Adjustment. This results in a reduction of \$1,576.

*For the actual appropriation amounts, refer to the DRMS Schedule 3 document within this budget request.*

### **Indirect Cost Assessment**

This appropriation, which funds the Department of Natural Resources Executive Director's Office (EDO) is based on calculations derived by the EDO budget staff based on personal services expenditures from the most recent "closed" fiscal year (FY 2009-10 for FY 2011-12 budget request). The Mine Safety and Training program's indirect cost assessment is funded from cash funds/severance tax and from federal grant sources. Federal indirect rates are approved by the Department of the Interior and applied when collecting federal indirect from federal grants. During the fiscal year, the federal indirect is assessed on all personal services costs in the

## Line Item Description - FY 2010-11 Budget Request

program that are charged to federal grants. If vacancy savings occur in the Mine Safety program, the target federal indirect amount shown in the Long Bill could be under collected. The cash indirect amount is fully collected.

*For the actual appropriation amounts, refer to the DRMS Schedule 3 document within this budget request.*

### **Emergency Response Costs**

The Emergency Response appropriation originated in FY1997-98 with \$500,000 as a result of the authorization of division funding from the Operational Account of the Severance Tax Trust Fund. The intent was to enable the division to expedite funds to control negative impacts during a mine emergency where hazardous materials are exposed to the public and/or the environment. From FY1997-93 to the present, only minor emergency problems have occurred, with costs ranging from \$9,000-\$25,000. Due to the non-use of the \$450,000-\$500,000 level appropriations, the entire line was deleted in FY 2003-04. The line was reappropriated in FY 2005-06 with \$25,000, which was again funded from cash funds/severance tax, and has continued through the current Long Bill. An emergency requiring additional emergency funding above this current funding level would require an Emergency Supplement through the “1331” procedures.

*For the actual appropriation amounts, refer to the DRMS Schedule 3 document within this budget request.*

*(3) Colorado Geological Survey*

**ENVIRONMENTAL GEOLOGY & GEOLOGIC HAZARDS**

This program line came into existence during figure setting for FY 2000-01. Prior to that, the Colorado Geological Survey had very few program lines in the Long Bill; the primary line item designations were fund types. Though this program line was created in FY 2000-01, environmental geology and geologic hazards work has always been a part of the CGS statutory mission.

The **Environmental Geology and Geologic Hazards Program** protects people and property by reducing or eliminating short and long-term risks from geologic hazards and lack of safe, adequate water. Across the state, businesses, citizens, state agencies, and local governments make informed and smart land use and business decisions because of CGS's work. Average citizens and large companies alike, use CGS geologic hazard, water quality data, and groundwater-supply maps, online tools and on-the ground assistance to avoid or reduce vulnerability and losses to geologic hazards and lack of safe water. Through educational programs, CGS increases the awareness and understanding of these issues throughout Colorado.

Pursuant to Section 34-1-105, C.R.S. (2010), the Colorado Geological Survey is allowed to charge fees to recover the direct costs of services provided to the general public, industries, and local governments through an agreement, or when a local government is required to review geologic issues by statute, and to recover the direct costs of services provided to state agencies. These fee revenues are deposited in the Geological Survey Cash Fund and are subject to annual appropriation by the General Assembly. In addition to fee revenue, the Colorado Geological Survey receives appropriations from the Operational Account of the Severance Tax Trust Fund and federal funds to perform its duties.

During figure setting for FY 2007-08, a portion of Change Request #7, "Address Current and Emerging Geologic Issues," was approved by the JBC, increasing the base severance tax appropriation by \$75,888. At the agency's request, the cash exempt appropriation was decreased by \$251,237 but corresponding decrease of 2.0 FTE (from 18.2 to 16.2) was included in this reduction which was not at the agency's request. During that same figure setting, Change Request #22, "Increase Land Use Review Fees," was approved with an increase of \$105,281 to cash fees. However, JBC staff recommended a corresponding permanent decrease of \$105,281 from the severance tax appropriation, which has severely hampered the agency's ability to carry out its mission.



## Line Item Description - FY 2010-11 Budget Request

During FY 2008-09 figure setting, Change Request #8, “Renewable Geothermal Energy for Colorado” was approved by the JBC for 1.0 FTE and \$69,035 cash funds from the Operational Account of the Severance Tax Trust Fund. This funded an FTE to explore and promote geothermal energy resources in Colorado.

During the FY 2008-09 Supplemental Requests presented to the JBC, this long bill line item experienced a one-time reduction of \$656 cash funds for DNR Supplemental #2, “Cellular Phones Cost Reduction.” Another one-time reduction of \$82,470 was taken from cash funds for DNR Supplemental #20, “Hiring Freeze Reduction.” These one-time reductions were restored in the FY 2009-10 Long Bill.

During the FY 2010-11 figure setting, this long bill line item experienced a one-time reduction of \$25,794 consisting of \$21,072 cash funds, \$2,780 reappropriated funds, and \$1,942 of federal funds for SB10-146, the non-prioritized Budget Amendment “Statewide PERA Adjustment.” Two additional one-time reductions were taken at the same time - \$809 of cash funds for the Annualization of the Statewide Decision Item “Postage Increase and Mail Equipment Upgrade” and \$1,557 reappropriated funds for the DNR Decision Item #1 “Adjustments to Leased Space.” This long bill line item was restored a reduction of \$34 cash funds taken in FY 2009-10 for the non-prioritized budget amendment “Mail Equipment Upgrade Supplemental and Budget Amendment.”

The agency is not submitting any change requests for this long bill line item for FY 2011-12. The FY 2011-12 base continuation request is for \$2,541,867 which includes the restoration of \$25,794 for SB10-146 “Statewide PERA Adjustment.” The FY 2011-12 request includes non-prioritized decision item #4 “Statewide PERA Adjustment,” which is a reinstatement of the PERA Adjustment. This results in a reduction of \$29,987. The FY 2011-12 request also includes an increase of \$133 to reflect the fact that the Department of Personnel and Administration will begin directly billing departments for the cost of printing warrants and mainframe documents.

## **MINERAL RESOURCES AND MAPPING**

This program line came in to existence during figure setting for FY 2000-01. Prior to that, the Colorado Geological Survey had very few program lines in the Long Bill; the primary line item designations were fund types. Though this program line was created in FY 2000-01, mineral resources and mapping work has always been a part of the CGS statutory mission.

## Line Item Description - FY 2010-11 Budget Request

The **Mineral Resources and Mapping Program** improves the sustainability and economy of Colorado. State agencies, private industry, local governments and others utilize the Survey's studies, maps, and statistical data to responsibly explore and develop critical mineral and energy resources. The state's economy and environment will benefit from CGS's leadership in the studies of CO<sub>2</sub> sequestration and geothermal power generation — cleaner and/or renewable energy. Colorado's green industry, which is expected to generate \$61 billion in revenue and provide over 600,000 jobs by 2030, utilize CGS maps and studies of rare earth metals needed for wind and solar production.

During figure setting for FY 2006-07, the federal funds were decreased with a corresponding decrease of 2.0 FTE (from 11.5 to 9.5). The request to decrease the federal funding was initiated by the agency, but the JBC chose to decrease FTE at the same time. This decrease should not have been tied to the funding, as the federal funding for this Long Bill Line Item (LBLI) was increased during figure setting for FY 2002-03 without a corresponding FTE increase. During figure setting for FY 2008-09, a portion of Change Request #7, "Address Current and Emerging Geologic Issues," increased the severance tax funds for this long bill line item by \$77,817 and one FTE (from 9.5 to 10.5). Continuation funding of \$1,462,058 was requested for FY 2009-10.

During the FY 2008-09 Supplemental Requests presented to the JBC, this long bill line item experienced a one-time reduction of \$474 cash funds for DNR Supplemental #2, "Cellular Phones Cost Reduction." Another one-time reduction of \$73,741 was taken from cash funds for DNR Supplemental #20, "Hiring Freeze Reduction." These one-time reductions were restored in the FY 2009-10 Long Bill.

During the FY 2010-11 figure setting, this long bill line item experienced a one-time reduction of \$17,441 consisting of \$12,536 cash funds and \$4,905 of federal funds for SB10-146, the non-prioritized Budget Amendment "Statewide PERA Adjustment." An additional one-time reduction was taken at the same time - \$1,331 of cash funds for the Annualization of the Statewide Decision Item "Postage Increase and Mail Equipment Upgrade." This long bill line item was restored a reduction of \$55 cash funds taken in FY 2009-10 for the non-prioritized budget amendment "Mail Equipment Upgrade Supplemental and Budget Amendment."

The agency is not submitting any change requests for this long bill line item for FY 2011-12. The FY 2011-12 base continuation request is for \$1,459,656 which includes the restoration of \$17,441 for SB10-146 "Statewide PERA Adjustment." The FY 2011-12 request includes non-prioritized decision item #4 "Statewide PERA Adjustment," which is a reinstatement of the PERA Adjustment. This results in a reduction of \$13,537.

## COLORADO AVALANCHE INFORMATION CENTER

## Line Item Description - FY 2010-11 Budget Request

In 1987, the Colorado Avalanche Information Center (CAIC) became a Long Bill Line Item within the Department of Natural Resources, Colorado Geological Survey, pursuant to Section 34-1-101, C.R.S. (2010).

The **Colorado Avalanche Information Center** protects people and property by reducing or eliminating short and long-term risks from avalanches. Avalanches not only take lives and destroy property; they damage local and regional economies. Local communities and regional industries all suffer serious economic losses when avalanches close transportation corridors causing lost visitor days and increased transportation costs. CDOT, Colorado's ski industry, and others use CGS forecasting, online tools, and maps to avoid or reduce their vulnerability and losses to avalanche hazards. CGS also increases public safety through extensive educational programs and educational aids readily available to the public.

During figure setting for FY 2008-09, the JBC approved change request #11, "Avalanche Safety Program" to increase the cash fund appropriation by \$28,000 and increase FTE by 0.4.

During figure setting for FY 2009-10, the JBC approved change request #2, "Highway Avalanche Forecasting" to increase the reappropriated funds appropriation by \$34,262 to allow the CAIC to perform increased contract work for CDOT.

During figure setting for FY 2010-11, this long bill line item experienced a one-time reduction of \$13,069: \$3,254 cash funds, \$9,549 reappropriated funds, and \$266 of federal funds for SB10-146, the non-prioritized Budget Amendment "Statewide PERA Adjustment." An additional one-time reduction was taken at the same time - \$112 of cash funds for the Annualization of the Statewide Decision Item "Postage Increase and Mail Equipment Upgrade." This long bill line item was restored a reduction of \$5 cash funds taken in FY 2009-10 for the non-prioritized budget amendment "Mail Equipment Upgrade Supplemental and Budget Amendment."

The agency is submitting one change request for this long bill line item for FY 2011-12. DNR Change Request #2, "San Juan Highway Avalanche Forecasting" for \$28,179 reappropriated funds and 0.7 FTE. The FY 2010-11 base continuation request is for \$718,218 which includes the restoration of \$13,069 for SB10-146 "Statewide PERA Adjustment" and the afore-mentioned change request. The FY 2011-12 request includes non-prioritized decision item #4 "Statewide PERA Adjustment," which is a reinstatement of the PERA Adjustment. This results in a reduction of \$10,831.

## **OIL & GAS CONSERVATION COMMISSION (OGCC)**

### **Program Costs**

The OGCC's Program Cost line funds the OGCC's personnel and operating expenses, including 69.0 FTE, commission hearing expenses, travel expenses, vehicle mileage, information technology, and general office overhead. The employees funded through this line item are involved in field inspections, complaint response, enforcement, permitting, regulatory report reviews, environmental studies, mitigation of impacts caused by oil and gas activity, management of data related to the approximately 40,000 active and 40,000 inactive wells, and general administration.

To address the highly fluctuating activity levels of the oil and gas industry, this Long Bill line item was increased from \$2,732,859 and 33.0 FTE in FY 2004-05 to \$6,355,411 and 74.0 FTE in FY 2008-09, followed by a reduction to \$5,975,347 and 71.0 FTE in FY 2009-10. Of the \$5,975,347, \$3,095,122 is from the Operational Account of the Severance Tax Trust Fund and \$2,880,225 is from the Oil and Gas Conservation and Environmental Response Fund.

The agency's FY 2008-09 budget matched the November 1, 2007 request, which included 9.0 new FTE, plus an additional \$922,447 and 12.0 FTE to partially fund DNR Decision Item #1a and fully fund DNR Decision Item #6a. The primary difference between the request and the appropriated amount is the salary levels at which all new positions for FY 2008-09 were budgeted. The OGCC requested FY 2008-09 range minimum salaries for non-technical positions and 25% to 30% above FY 2008-09 range minimum for technical positions that are in high demand by the oil and gas industry (i.e. engineers and geology/environmental staff). Instead, all salaries were appropriated at the FY 07-08 range minimum. In addition, two of the requested FTE were downgraded from a supervisory level to non-supervisory positions.

The agency's FY 2009-10 budget is the November 1, 2008 base request net of the 1.8% one-time statewide Personal Services reduction and 3.0 FTE that were converted to contractors through a JBC staff-initiated supplemental. The Department's FY 2009-10 Decision Item #1 for 4.0 administrative FTE and contractors was denied. Additionally, as part of the State's efforts to balance the budget this line was decreased by \$30,762 to account for payroll savings from furloughing employees.

The FY 2010-11 budget is equivalent to the FY 2009-10 budget plus a restoration of the one-time 1.8% Personal Services cut, a restoration of the statewide furlough cuts, and a reduction of \$358 related to a FY 2009-10 decision item related to postage and mail equipment. The final FY 2010-11 appropriation also includes a reduction of \$350,772 and 4.0 FTE associated with the statewide OIT

## Line Item Description - FY 2010-11 Budget Request

Staff Consolidation decision item. Lastly, the General Assembly changed the PERA contribution rates to have the employees pick up more of the contribution. This change saved \$87,332 on this line.

The FY 2011-12 request is a continuation request plus the reversal of the change in PERA contribution rates for an increase of \$87,332. The FY 2011-12 request includes non-prioritized decision item #4 "Statewide PERA Adjustment," which is a reinstatement of the PERA Adjustment. This results in a reduction of \$112,851. The FY 2011-12 request also includes an increase of \$257 to reflect the fact that the Department of Personnel and Administration will begin directly billing departments for the cost of printing warrants and mainframe documents.

### **Underground Injection Control Program**

The FY 2007-08 budget matched the November 1, 2006 request. This line item represents a federal grant, which partially reimburses the OGCC for its costs associated with regulating Class II underground injection wells. This program is delegated to the agency by the EPA and is listed for informational purposes only. The grant amount varies from year to year, due to fluctuations in the federal budget.

No changes were made for this line in FY 2008-09.

No changes were made for this line in FY 2009-10.

No changes were made for this line in FY 2010-11.

The OGCC is requesting a continuation appropriation of \$96,559 FF for this line item in FY 2011-12.

### **Plugging and Reclaiming Abandoned Wells**

## Line Item Description - FY 2010-11 Budget Request

The FY 2007-08 line item matched the November 1, 2006 request. The funding is used by the OGCC to plug and abandon orphaned well sites. The funding source is the Oil and Gas Conservation and Environmental Response Fund.

No changes were made for this line in FY 2008-09.

No changes were made for this line in FY 2009-10.

No changes were made for this line in FY 2010-11.

The OGCC is requesting a continuation appropriation of \$220,000 CF for this line item in FY 2011-12.

### **Environmental Assistance and Complaint Resolution**

The FY 2007-08 line item matched the November 1, 2006 request. These funds are used by the OGCC to respond to complaints by landowners or other persons. Water and soil samples are frequently collected and sent to various labs for analysis. Funding for this line item is from the Oil and Gas Conservation and Environmental Response Fund.

No changes were made for this line in FY 2008-09.

No changes were made for this line in FY 2009-10.

No changes were made for this line in FY 2010-11.

The OGCC is requesting a continuation appropriation of \$312,033 CF for this line item in FY 2011-12.

### **Emergency Response**

The FY 2007-08 line item matched the November 1, 2006 request. The purpose of this funding, per Long Bill footnote 104 (SB 07-239), “is for investigation, prevention, monitoring, and mitigation of circumstances, which are caused by or are alleged to be associated with oil and gas activities and which call for immediate action by the Oil and Gas Conservation Commission. An emergency creates a threat to public health, safety, or welfare or to the environment as proclaimed by the Oil and Gas Conservation

## Line Item Description - FY 2010-11 Budget Request

Commission Director and approved by order of the Oil and Gas Conservation Commission.” The OGCC has been requested by the General Assembly to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.

Funding for this line item is from the Oil and Gas Conservation and Environmental Response Fund.

No changes were made for this line in FY 2008-09.

No changes were made for this line in FY 2009-10.

No changes were made for this line in FY 2010-11.

The OGCC is requesting a continuation appropriation of \$1,500,000 CF for this line item in FY 2011-12.

### **Special Environmental Protection and Mitigation Studies**

The FY 2007-08 line item matched the November 1, 2006 request. This line item was first established in FY 2006-07 to provide timelier funding for special environmental protection and mitigation studies including, but not limited to gas seepage mitigation studies, outcrop monitoring studies, soil gas surveys in the vicinity of plugged orphaned wells, and baseline water quality and subsequent follow-up studies. The OGCC has been requested by the General Assembly, per Long Bill footnote 105 (SB07-239), to include in its annual budget request a report detailing all expenditures made in the previous year from this line item. This line item may or may not be fully expended in any given year. The intent was to provide available funds for studies that, to optimize their benefit, should be conducted as the needs for them are identified, as opposed to waiting on the annual budget process.

Funding for this line item is from the Oil and Gas Conservation and Environmental Response Fund.

No changes were made for this line in FY 2008-09.

Continuation funding was requested by the Department for FY 2009-10, but JBC staff recommended reducing the \$500,000 appropriation to \$325,000. The General Assembly approved the \$175,000 reduction.

Line Item Description - FY 2010-11 Budget Request

No changes were made for this line in FY 2010-11.

The OGCC is requesting a continuation appropriation of \$325,000 CF for this line item in FY 2011-12.

**Data Cleanup Project**

The FY 07-08 line item matches the November 1, 2006 request. The Data Cleanup Project was a FY 2007-08 decision item, which was cut in half due to other budget priorities. This was a one-time line item and was not requested for FY 08-09. Funding for this line item is from the Oil and Gas Conservation and Environmental Response Fund.

This line was not requested for FY 2008-09.

**SB 07-198 Coalbed Methane Monitoring and Mitigation Projects in La Plata and Archuleta Counties**

This bill requires the transfer of \$4,452,000 from the Oil and Gas Conservation and Environmental Response Fund (Fund 170) to a new fund, the Coalbed Methane Seepage Cash Fund (Fund 21G), for the purposes set forth in the bill. The transfer schedule is as follows; \$2,003,400 in FY 07-08, \$2,003,400 in FY 08-09, and \$445,200 in FY 09-10. The funds will be available for the OGCC's use through June 30, 2010. Any remaining funds will be transferred back to the Oil and Gas Conservation and Environmental Response Fund.

A line item appeared in the FY 2008-09 Long Bill (HB 08-1375) for the first time, but no changes were requested or made to the appropriation, as set forth in SB 07-198.

Pursuant SB 07-198, this line item was reduced from \$2,003,400 in FY 2008-09 to \$445,200 in FY 2009-10. It will not be requested for FY 2010-11.

**Indirect Cost Assessment**

The FY 2007-08 line item matched the November 1, 2006 request. For FY 2008-09, the Indirect Cost line was increased by \$97,260, of which \$91,483 are Cash Funds and \$5,777 are Federal Funds. This line was increased to \$313,768 in FY 2009-10 and the FY 2010-11 appropriation increased it to \$395,291 including \$5,898 in Federal Funds.



## **STATE BOARD OF LAND COMMISSIONERS**

### **PROGRAM COSTS**

State Land Board's budget has gone through several consolidations and budget increases recently. The changes have been aimed at allowing the Board the flexibility to function like a business as well as increase its capacity to meet its business needs.

The FY 2004-05 State Land Board appropriation comprised seven line items: Personal Services, Operating, State Land Evaluations and Trust Asset Analysis, Lowry Range Project, Document Imaging, Land Use Planning and Engineering Contract Resources, and Indirect Cost Assessment. Document Imaging was a one-time appropriation.

In the FY 2005-06 appropriation, JBC staff consolidated the State Land Board's budget into two line items: Program Costs and State Trust Land Evaluations and Trust Asset Management Analysis. This consolidation allows the Board to use funds where ever it has needs, specifically for reinvestment into property. The program costs line item allows funds previously designated for operating and personal services for such things as weed spraying, land and water projects, land planning and evaluation projects, agricultural improvement, purchase of lessee improvements (required by statute), audits, appraisals, etc. Consequently, the State Land Board increased internal budgeting for these purchases.

In FY 2006-07, JBC staff refinanced the State Land Board's funding mix. For several years the State Land Board expenditures were mostly financed by royalty revenues in order to maximize the cash revenues that flowed into the School Finance Act. Partly as a response to SB05-196, JBC staff reallocated the funding according to the total revenues earned by the State Land Board. After accounting for \$75,000 CF from the Land and Water Management Fund, the State Land Board's budget was refinanced to 23.9% cash (e.g lease revenue) and 76.1% cash exempt (royalty revenue). The State Land Board earns about \$60 million in revenue per year.

In the FY 2007-08 appropriation, JBC staff further consolidated the State Land Board's appropriation recognizing that most expenditures made by the State Land Board are for the evaluation and management of trust assets. The funding mix was adjusted to 25.6% cash and 74.4% cash exempt. The FY 2007-08 Long Bill also contained an increase from three decision items: Water Portfolio Management, Mineral Auditor and Legal Services, and a New District Office.

The FY 2008-09 appropriation changed the funding mix to 100% cash funds due to the elimination of Cash Funds Exempt. The 2009 appropriation was also the subject of a one-year budget cut due to the statewide hiring freeze.

## Line Item Description - FY 2010-11 Budget Request

In FY 2009-10 the Program Costs line item was reduced due to the elimination of State Fair expenses and as part of a statewide personal services reduction. This line was further reduced during the fiscal year to capture savings from furloughing employees.

For FY 2010-11 the previous year's personal services cut and furlough reduction were reversed, increasing the line by \$74,161. Additionally, the line was decreased by \$64,034 due to the statewide PERA adjustment and changes to a FY 2009-10 decision item related to postage and mail equipment upgrade. Lastly, this line was reduced by \$77,568 and 1.0 FTE as part of the ongoing consolidation of information technology services.

The FY 2011-12 base request includes an increase of \$63,709 to reflect the expiration of the FY 2010-11 PERA Adjustemnet. The FY 2011-12 request includes non-prioritized decision item #4 "Statewide PERA Adjustment," which is a reinstatement of the PERA Adjustment. This results in a reduction of \$59,882. The FY 2011-12 request also includes an increase of \$138 to reflect the fact that the Department of Personnel and Administration will begin directly billing departments for the cost of printing warrants and mainframe documents.

### **PUBLIC ACCESS PROGRAM DAMAGE AND ENHANCEMENT COSTS**

The FY 2010-11 request included a decision item to add this line to the Board of Land Commissioners section of the Long Bill. The Land Board has a lease agreement with the Division of Wildlife for hunting access on trust lands. As part of this lease agreement 1/3 of the total lease cost (approximately \$225,000) is used to repair damage to the lands from public access or to improve the lands. Previously, this portion of the lease costs was retained by the Division of Wildlife and expended on behalf of the Land Board. In order to comply with accounting standards the Land Board requested, and the General Assembly appropriated, \$225,000 in reappropriated funds so that the Land Board could receive and expend these monies.

### **INDIRECT COSTS ASSESSMENT**

Indirect Cost Assessment is a standard appropriation based on a statewide and departmental indirect cost assessment plan.

### **INVESTMENT AND DEVELOPMENT FUND**

The Investment and Development Fund is a continuously appropriated fund that is not represented in the Long Bill. According to Section 36-1-116, C.R.S (2009), the fund receives the following from State Land Board mineral royalty revenues:

- \$3 million in FY 2009-10

Line Item Description - FY 2010-11 Budget Request

- \$4 million in FY 2010-11
- \$5 million in FY 2011-12 and beyond.

Expenditures from the fund are for portfolio enhancement and additional income generation projects on School Trust Land. Expenditures from the fund are exempt from the procurement code (not exempt from fiscal rules) and can be used to hire FTE, contract for services, and make purchase. Fund balance (principle and interest) rolls forward each fiscal year. The State Land Board must report the fund's performance to the JBC and House and Senate Education Committees every January 31<sup>st</sup>.

**(6) Division of Parks and Outdoor Recreation (DPOR)**

**(A) State Park Operations:**

The Division currently has one program line for State Park Operations. This occurred in the 2005 Legislative Session when a Decision Item was adopted that consolidated line items – prior to FY 2005-06, the State Park Operations line item consisted of five separate line items:

- Established State Parks - Program Costs
- Established State Parks - Seasonal Work Program
- Established State Parks - Impact Assistance
- New State Parks - Program Costs
- New State Parks - Seasonal Work Program

The consolidated State Park Operations line enables the Division to proactively manage its program while providing maximum flexibility to meet current economic business challenges.

The State Park Operations line funds the ongoing operations and administrative staff at all state parks and central offices. This line includes Personal Services, Operating, Utility expenses and the Seasonal Work Program which enables the Division to hire temporary staff to assist at the parks during the busy season.

The FY 2010-11 appropriation for State Park Operations contained in H.B. 10-1376 (the FY 2010-11 Long Bill) was \$24,450,011 and 255.7 FTE. The largest change to this line item was a further reduction of general funding to support State Park Operations. This reduction of general funding was achieved through refinance from the Operational Account of the Severance Tax Trust Fund in the amount of \$2,147,415 (HB10-1326).

Other changes included in the FY 2010-11 appropriation for State Park Operations, as changes to the FY 2009-10 base of \$23,983,275 TF, include:

- (1) an increase of \$52,828 to annualize FY 2009-10 "Statewide Furlough Impact";
- (2) an increase of \$750,000 to increase Lottery Allocation to State Park Operations according to Parks Board Decision;
- (3) an increase of \$438,733 to restore 1.82% personal services reduction;
- (4) a reduction of \$426,828 and 5.0 FTE due to OIT consolidation-related Decision Item NP-1 "Statewide Information Technology Staff Consolidation";

Line Item Description - FY 2010-11 Budget Request

- (5) a reduction of \$341,544 to reflect non-Prioritized Budget Amendment “Statewide PERA Adjustment” ;
- (6) an increase of \$9,561 to reflect non-Prioritized Statewide Decision Item 1: “IT Staff Consolidation” Impact for PERA Adjustment;
- (7) a decrease of \$36,290 to annualize Statewide Decision Item – Postal Increase;
- (8) an increase of \$27,145 to annualize non-Prioritized Supplemental “Mail Equipment Upgrade Supplemental and Budget Amendment”;
- (9) an increase of \$1,510 to reflect non-Prioritized Budget Amendment “Mail Equipment Upgrade Supplemental and Budget Amendment”; and
- (10) a reduction of \$16,769 for non-Prioritized Budget Amendment “General Fund Operating Reduction”.

The FY 2011-12 request for State Parks Operations is \$24,781,994 and 255.7 FTE. This request includes a continuation base of \$24,458,811 and 255.7 FTE and includes the following adjustments:

- (1) a refinance of the remaining \$1,693,665 GF with cash funding from the Operational Account of the Severance Tax Trust Fund resulting in no GF support of State Parks beginning FY 2011-12;
- (2) an increase of \$341,544 to restore SB 10-146 Statewide PERA Adjustment;
- (3) a decrease of \$9,561 to restore Statewide OIT Staff PERA Switch; and
- (4) a reduction of \$8,800 to remove one-time operational appropriation for the implementation of the Lifetime Aspen Leaf pass pursuant to SB10-071.

The FY 2011-12 request includes non-prioritized decision item #4 “Statewide PERA Adjustment,” which is a reinstatement of the PERA Adjustment. This results in a reduction of \$354,336. The FY 2011-12 request also includes an increase of \$10,365 to reflect the fact that the Department of Personnel and Administration will begin directly billing departments for the cost of printing warrants, mainframe documents, and vehicle registration decals (snowmobile, boats, and off-highway vehicles. The FY 2011-12 request includes a net-zero refinance of General Fund with Cash Funds as part of the Department’s Base Reduction Item #1 “Eliminate General Fund Support of State Parks.” This results in a \$1,693,665 decrease in General Fund on this line. Decision item #7 “River Outfitter Refinance” is for a decrease of \$68,500 to refinance river outfitter program expenses from Park’s Cash to program revenue. Lastly, Decision Item #7 “Adjustments to Leased Space” is a decrease of \$1,800 to transfer a storage lease that was being paid from operating funds and will now be paid for from the Leased Space line item in the Executive Director’s Office.

**(B) Great Outdoors Colorado Grants (GOCO):**

## Line Item Description - FY 2010-11 Budget Request

The Division also has a program line for Great Outdoors Colorado Grants (GOCO), which funds the ongoing operations of state parks that were built or acquired with GOCO capital funds. Amendment 8, which created GOCO in Article XXVIII of the Colorado Constitution, was passed by the citizens of Colorado in 1992. GOCO investments through Colorado State Parks are to be used for:

- 1) Land and Water Protection - Water for recreational purposes through the acquisition of water rights or through agreements with holders of water rights, all in accord with applicable state water law.
- 2) Operations and Maintenance - Establishment & improvement of state parks and recreation areas throughout Colorado;
- 3) Statewide Programs - Development of appropriate public information and environmental education resources on Colorado's natural resources at state parks, recreation areas, and other locations throughout the state; and acquisition, construction and maintenance of trails and river greenways

The funds are shown in the Long Bill for information purposes only.

### **(C) Special Purpose Programs**

Snowmobile Program: This program is responsible for the administration and registration of snowmobiles, mandatory safety certification of young operators, enforcement of registration requirements, trail marking and signing, establishment and maintenance of snowmobile trails and related facilities.

River Outfitters Regulation: This program is responsible for the administration of the annual licensing for river outfitters, regulation of the river outfitters and ensuring the safety of river running activities through inspections. As of FY 2009-10 there are over 177 commercial river outfitter companies with approximately 3,000 guides that run adventure rafting and float fishing trips on the majority of the rivers statewide. The River Outfitter Licensing Program is responsible for performing inspections on these companies to ensure river outfitters employ qualified personnel, follow appropriate operating parameters and meet minimum equipment standards to ensure customer safety.

The FY 2011-12 request includes non-prioritized decision item #4 "Statewide PERA Adjustment," which is a reinstatement of the PERA Adjustment. This results in a reduction of \$1,076.

## Line Item Description - FY 2010-11 Budget Request

Off Highway Vehicle Program: This program is responsible for the administration of the OHV registration and grant program. The program provides information and heightens awareness of the availability of off-highway vehicle recreational opportunities, and encourages safe and responsible use of OHV's through brochures, news releases and other media. The program is also responsible for the promotion of off-highway vehicle safety through promulgation and enforcement of rules and regulations. Partnerships with land management agencies and enthusiasts are formed to leverage grant funds and promote good management of motorized recreation.

The FY 2011-12 request includes non-prioritized decision item #4 "Statewide PERA Adjustment," which is a reinstatement of the PERA Adjustment. This results in a reduction of \$3,236.

Off Highway Vehicle Grants: This program provides grants to federal, state and local government agencies and non-profit user groups to construct and maintain off-highway vehicle trails, parking areas, signage and maps. Grant funds are provided through registration of off-highway vehicles.

Federal Grants: This line is related to funding received from the United States Coast Guard to fund boat safety within state parks.

S.B. 03-290 Enterprise Fund: This line was created through S.B. 03-290 to establish a stores revolving fund in the amount of \$200,000 which shall be maintained to acquire stock for warehousing and distributing supplies for retail sales to visitors. This fund is to remain at \$200,000 and any surplus in excess of the appropriation is transferred to the parks and outdoor recreation cash fund at the end of each fiscal year.

Systems Operation and Support: This line was the result of a non-appropriated decision item request in FY05-06 to support several administrative and line of business systems from Cash Fund sources. This line item is funded from lottery proceeds (including reserves from prior years).

Connectivity at State Parks: This line was the result of a non-appropriated decision item request in FY05-06 for connectivity at State Parks. This includes both external connectivity (from the park outward) and connectivity within the parks (at specific locations only) from lottery proceeds (including reserves from prior years).

## Line Item Description - FY 2010-11 Budget Request

Asset Management: This line was the result of a non-appropriated decision item request in FY 2005-06 to fund the on-going replacement of computers and other IT equipment from Cash Fund sources. This line is funded from lottery proceeds (including reserves from prior years).

Law Enforcement Equipment: This line was the result of a decision item request in FY 2007-08 to pay for the equipment needed for new park rangers. There is an average turnover of 10 rangers each year. Additionally body armor vests need to be replaced for all rangers every 5 years (approximately 25 vests are replaced annually) due to manufacturer recommendations. This line also pays for uniforms for the rangers. The appropriation for this line item is funded from lottery proceeds (including reserves from prior years). The division of State Parks is not requesting the appropriation for this line item beginning FY 2011-12 because over the past three years the law enforcement equipment has been paid out of the State Park Operations Long Bill line using CF sources including the lottery proceeds.

Natural Resource Protection: This program conducts fuels mitigation projects, the purpose of which is to provide opportunities that improve the resilience of state parks areas to recover from the effects of wildfire. By investing in the treatment of 1,200 to 1,500 acres of hazardous forest fuels annually, the Natural Resource Protection program enables Colorado State Parks to reduce suppression costs, improve visitor and firefighter safety, reduce impacts on water and air quality, improve wildlife habitat and significantly reduce costs resulting from wildfires.

Miscellaneous Small Projects: This program addresses projects that are for the most part under \$50,000, that are more maintenance in nature, and that are more appropriately contained in the operating budget; as defined under Section 24-75-112, C.R.S. (2009) and OSPB Budget Instructions. State Parks are fifty years old with facilities constructed at various times. There is on-going maintenance required to extend the useful life of the facilities and to avoid costly replacements in the future. In addition to the ongoing maintenance and repairs our facilities need to be updated to meet the requirements of the Americans with Disabilities Act (ADA), health and safety standards, as well as providing natural resource protection.

Trails Grants: This is a State Trails Program. This program provides technical assistance and training on trail design, development, and maintenance to agencies, communities, and non-profit groups statewide. It provides public information on trails through maps, newsletters, and electronic media. The Trails program also encourages Youth Corp trail projects, volunteerism and public stewardship for trails on public lands. It coordinates with agencies and communities on trails and greenways as part of plans for development, rivers, transportation and utility corridors, recreation, and habitat protection.



Line Item Description - FY 2010-11 Budget Request

S.B. 08-226 Aquatic Nuisance Species: This line was the result of a S.B. 08-226 concerning the prohibition of aquatic nuisance species in Colorado and an appropriation in connection therewith beginning in FY 2008-09 to fund the ANS program in Colorado State Parks.

The FY 2011-12 request includes non-prioritized decision item #4 “Statewide PERA Adjustment,” which is a reinstatement of the PERA Adjustment. This results in a reduction of \$7,606.

Indirect Cost Assessment: The amount collected from this line item is used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. The FY 2010-11 appropriation for this line was \$1,352,541, including \$1,273,641 CF and \$78,900 FF. The FY 2011-12 request is for \$1,522,565 TF, including \$1,475,396 CF and \$47,169 FF.

***(7) COLORADO WATER CONSERVATION BOARD***

**(A) ADMINISTRATION**

**PERSONAL SERVICES**

The fiscal year 2009-10 Long Bill (SB09-259) appropriation for Personal Services totaled \$2,981,923. There were 31.0 FTE assigned to this line item in the Long Bill. The funding change, from fiscal year 2008-09, in this line item is related to the Common Policies, adjustments for statewide decision items, and the consolidation of OIT staff. During fiscal year 2009-10, there was a Budget Reduction for the FY 2010-11 August Budget Reduction for the “Statewide Furlough Impact” in the amount of (\$37,031) and an additional 1.82% reduction in the amount of (\$55,210) to create savings during the challenging economic downturn. These two reductions were restored in FY 2010-11. The fiscal year 2010-11 Long Bill (HB10-1376) appropriation is for \$2,903,217 and 30.0 FTE. The changes in funding and FTE are due to Decision Item NP-1 “Statewide Information Technology Staff Consolidation” and the transfer of 1.0 FTE from the CWCB to OIT along with:

- Funding in the amount of (\$77,796) for the salary of the 1.0 FTE,
- A “Statewide PERA Adjustment” from a non-Prioritized Budget Amendment in the amount of (\$57,863), and
- A PERA adjustment for the OIT Staff Impact in the amount of \$1,743.

The FY 2011-12 Base Request \$2,959,337 and 30.0 FTE, which includes restoring \$57,863 for the Statewide PERA Adjustment (SB10-145) and restoring the amount of (\$1,743) for the Statewide Information Technology Staff PERA Switch. The FY 2011-12 request includes non-prioritized decision item #4 “Statewide PERA Adjustment,” which is a reinstatement of the PERA Adjustment. This results in a reduction of \$66,951.

**OPERATING EXPENSES**

The Operating Expenses line item was appropriated \$95,677 in the fiscal year 2009-10 (SB09-259) and was reduced to \$95,190 for the fiscal year 2010-11. In FY 2009-10, there was an adjustment for a non-Prioritized Supplemental for a “Mail Equipment Upgrade Supplemental and Budget Amendment in the amount of (\$501). For FY 2010-11, the following adjustments were made: 1) the amount of \$501 was added back to annualize the Statewide Decision Item for a “Mail Equipment Upgrade Supplemental and Budget Amendment”, 2) there was a reduction in the amount of (\$515) to annualize a Statewide Decision Item for a “Postage Increase and

## Line Item Description - FY 2010-11 Budget Request

Mail Equipment Upgrade”, and 3) the amount of \$28 was added for a non-Prioritized Budget Amendment for a “Mail Equipment Upgrade Supplemental and Budget Amendment”. These adjustments brought the FY 2010-11 appropriation in the Long Bill (HB10-1376) to \$95,190. The Base Request for FY 2011-12 will remain unchanged at \$95,190. The FY 2011-12 request includes an increase of \$170 to reflect the fact that the Department of Personnel and Administration will begin directly billing departments for the cost of printing warrants and mainframe documents. Also, the FY 2011-12 request includes an increase of \$390,647 for Decision Item #5 “Increased Dues.”

### INTERSTATE COMPACTS AND WESTERN STATES WATER COUNCIL DUES (appearing in the Long Bill as two separate line items)

Funding from the Interstate Compacts line item helps the CWCB to maintain the State’s ability to utilize and develop its entitlements under interstate compacts and equitable apportionment decrees in accordance with state water law. The FY 2009-10 appropriation for the Interstate Compacts line was \$350,071 and \$27,500 for the Western State Water Council Dues line item in the Long Bill (SB09-259).

The FY 2010-11 appropriation (HB10-1376) was \$350,071 for the Interstate Compacts line and at \$27,500 for Western States Water Council Dues. Since there were no adjustments to the line items, they will remain unchanged and will be requested at \$350,071 for the Interstate Compacts line and \$27,500 for Western States Water Council Dues for FY 2011-12.

The FY 2011-12 requests the elimination of these lines and a transfer of this funding to the Operating Line.

### RIVER DECISION SUPPORT SYSTEMS

The Long Bill line item for the River Decision Support Systems (RDSS) provides funding to the CWCB to support Colorado's Decision Support Systems (CDSS). The CDSSs are water management systems being developed by the CWCB and the Division of Water Resources for each of Colorado’s major water basins. The goals of CDSS are:

## Line Item Description - FY 2010-11 Budget Request

- Develop accurate, user-friendly databases that are helpful in the administration and allocation of waters of the State of Colorado
- Provide data, tools and models to evaluate alternative water administration strategies, which can maximize utilization of available resources in all types of hydrologic conditions
- Be a functional system that can be used by decision makers and other and be maintained and upgraded by the State
- Promote information sharing among government agencies and water users

The fiscal year 2009-10 Long Bill (SB09-259) appropriation for the River Decision Support Systems line item was \$551,540. This line item supported 5.0 FTE associated with RDSS. Adjustments to the line item were: 1) a FY 2010-11 August Budget Reduction for the “Statewide Furlough Impact” in the amount of (\$14,982), FY 2010-11 August Budget Reduction Annualization for the “Statewide Furlough Impact” in the amount of \$14,982, 3) a Decision Item NP-1 for the “Statewide Information Technology Staff Consolidation” for (\$89,472) along with a reduction of 1.0 FTE, which was transferred to OIT from the CWCB, 4) OIT Staff Impact for the PERA Adjustment for \$2,004, and (\$10,907) for a non Prioritized Budget Amendment for the “Statewide PERA Adjustment”. The FY 2010-11 Long Bill (HB10-1376) appropriation is \$453,165, which includes all of the previously mentioned adjustments. The Base Request for FY 2011-12 will be \$462,068 and 4.0 FTE, which reflects adjustments from the OIT consolidation for salary related costs and the transfer of 1.0 FTE to OIT.

The FY 2011-12 request includes non-prioritized decision item #4 “Statewide PERA Adjustment,” which is a reinstatement of the PERA Adjustment. This results in a reduction of \$8,903.

**The total Base Request for FY 2011-12, for all items in the (A) Administration Line portion of the Long Bill is \$3,894,166 and 34.0 FTE.**

### **(B) SPECIAL PURPOSE**

#### **INTRASTATE WATER MANAGEMENT AND DEVELOPMENT**

In 2003, the Colorado legislature, recognizing the critical need to understand and better prepare for the state’s long-term water needs, authorized CWCB to implement a Statewide Water Supply Initiative (SWSI). The overall objective of the SWSI program is to help Colorado maintain an adequate water supply for its citizens and the environment.

## Line Item Description - FY 2010-11 Budget Request

On the heels of the SWSI study, the legislature created the Water Supply Management, Development, and Implementation Assistance Program, with the goal of provide broad technical expertise in water use, water availability, water rights, water supply infrastructure design and costing. Shortly after implementation, CWCB changed the name of the program to the Intrastate Water Management and Development Section, which more appropriately reflects the type of work performed and completed. (A footnote reflecting this change appeared at the bottom of the Schedule 3 document for the division's FY 2008-09 budget request.)

The Intrastate Water Management and Development line item was created (via the Decision Item Process) in 2006 and formalized in HB 06-1385.

Also in 2006, the General Assembly established the Water Supply Reserve Account via SB 06-179. The Account provides money for grants and loans to complete water activities. Water activities are broadly defined and include water supply and environmental projects and/or studies. Requests for monies from the Account must be approved by Basin Roundtables established under Section 37-75-104 Colorado Revised Statutes. Once approved by the Basin Roundtable, requests are forwarded to the Colorado Water Conservation Board to evaluate and make decisions regarding funding. Intrastate Water Management and Development Section receives and processes all applications for approval by the CWCB Board members.

In addition, in 2006, the Section changed its name from the Water Supply Management, Development, and Implementation Assistance Program to the **Intrastate Water Management and Development** section which more appropriately reflects the type of work performed and completed. A footnote reflecting this change appeared at the bottom of the *Schedule 3* document for the FY 2008-09 request.

The fiscal year 2009-10 Long Bill (SB 09-259) appropriation for this line item totaled \$470,464. There were no adjustments to this line item during FY 2010-11 and therefore, this amount will remain unchanged for the Base Request for FY 2011-12 at \$470,464.

### FEDERAL EMERGENCY MANAGEMENT ASSISTANCE

This is a federally funded program that provides flood plain mapping and information about flood prevention. In FY 05-06, via the Decision Item process, the CWCB received an increase of \$99,248 for additional moneys for flood plain mapping and flood prevention services. These additional moneys cover costs for 1.0 FTE (funded 25/75 with state and federal funds). The sum includes \$13,941 cash funds exempt and \$132,179 federal funds and had carried forward to more recent fiscal years. The appropriated amount for FY 2009-10 (SB09-259) was \$146,120 and 2.0 FTE.

## Line Item Description - FY 2010-11 Budget Request

To arrive at the FY 2010-11 Long Bill (HB10-1376) appropriation of \$144,147, the adjustments were as follows:

- FY 2010-11 August Budget Reduction for the “Statewide Furlough Impact: in the amount of (\$4,394),
- FY 2010-11 August Budget Reduction Annualization for the “Statewide Furlough Impact: in the amount of \$4,394, and
- a non-Prioritized Budget Amendment for a “Statewide PERA Adjustment” in the amount of (\$1,973).

The only adjustment for the FY 2011-12 Base Request is to restore the Statewide PERA Adjustment in the amount of \$1,973 per SB 10-146. The FY 2011-12 Base Request total will be \$146,120 with 2.0 FTE.

The FY 2011-12 request includes non-prioritized decision item #4 “Statewide PERA Adjustment,” which is a reinstatement of the PERA Adjustment. This results in a reduction of \$2,294.

### WEATHER MODIFICATION

Colorado has had weather modification operations and research conducted in the State since the 1950s and there has been a program to permit weather modification since 1972. After the significant drought that began in early 2000, many new weather modification permits have been developed. Administration of Colorado’s Weather Modification Permit Program is the responsibility of the Executive Director of the Department of Natural Resources. This responsibility was delegated to the Director of the Colorado Water Conservation Board in 1987. In 1996, the General Assembly decided that the State should continue to issue permits in order to monitor and keep the public informed about weather modification activity. While weather modification licenses were eliminated, the qualifications for operating a weather modification program were made part of the permitting process. The Weather Modification program resides within the Flood Protection Section of the CWCB. The Weather Modification program has the spending authority for up to \$25,000, but can only spend the amount of funds collected in fees for the permits.

### WATER CONSERVATION PROGRAM

The Long Bill line item for the Water Conservation program funds the Office of Water Conservation and Drought Planning (OWCDP). This section promotes water use efficiency while providing public information and technical and financial assistance for

## Line Item Description - FY 2010-11 Budget Request

water conservation planning. The OWCDP also promotes drought planning by encouraging and assisting communities to prepare and implement drought mitigation plans and by monitoring drought impacts and informing the public, media, and state officials.

The fiscal year 2009-10 Long Bill (SB09-259) appropriation for the Water Conservation Program line item was \$274,042 and 4.0 FTE. During that same fiscal year, there was a reduction for a FY 2010-11 August Budget Reduction for the “Statewide Furlough Impact” in the amount of (\$9,608) and an increase in the amount of \$14,280 for a FY 2009-10 Special Bill (HB09-1129), a.k.a. the Precipitation Harvesting Pilot. Additional adjustments include: 1) a FY 2010-11 August Budget Reduction Annualization for the “Statewide Furlough Impact” in the amount of \$9,608, 2) a non-Prioritized Budget Amendment for the “Statewide PERA Adjustment in the amount of (\$5,225), and 3) an additional \$680 for HB09-1129 for the annualization of the “Precipitation Harvesting Pilot” bill. The FY 2010-11 Long Bill (HB10-1376) appropriation is \$283,777 and 4.0 FTE. This total appropriated amount includes the previous adjustments. The FY 2011-12 Base Request is for 4.0 FTE and \$289,002, which includes appropriations to restore \$5,225 for the Statewide PERA Adjustment (SB10-146).

The FY 2011-12 request includes non-prioritized decision item #4 “Statewide PERA Adjustment,” which is a reinstatement of the PERA Adjustment. This results in a reduction of \$5,225.

### WATER EFFICIENCY GRANT PROGRAM

The Water Conservation Act of 2004, adopted by the 2004 Colorado General Assembly under HB04-1365, not only expanded the responsibilities of the Office of Water Conservation and Drought Planning (OWCDP) to include providing technical assistance for drought planning, but it also added additional plan elements required of all water conservation plans submitted for State approval. Following on the heels of the 2002 drought, the legislature recognized the need to provide a strong incentive for conservation and drought planning. Thus, the Legislature created a mechanism for the Colorado Water Conservation Board, through the OWCDP, to provide grant monies for water conservation and drought mitigation planning.

The Water Efficiency Grant Program offers financial assistance, in the form of grants, to covered entities to aid in implementing their water conservation plan goals and programs identified in their locally adopted water conservation plans. The Program also gives grants to help agencies promote the benefits of water efficiency through public education and outreach programs. The Water Efficiency Grant Program provides financial assistance to covered entities and qualifying agencies that are seeking to perform or promote more meaningful water conservation statewide.

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The Long Bill line item is funded from the Water Efficiency Grant Program Cash Fund created in section 37-60-126 (12) (a), C.R.S. The fiscal year 2009-10 Long Bill (SB09-259) appropriation for the H.B. 05-1254 Water Efficiency Grant Program line item was \$600,029 and 1.0 FTE. The FY 2010-11 Long Bill (HB10-1376) appropriation is for \$600,029, which includes funding for salary and operational costs for 1.0 FTE, which was authorized via SB07-008. The FY 2011-12 Base Request will remain at \$600,029 and 1.0 FTE.

In addition, the name of the Long Bill line item for HB05-1254 has been changed to reflect updated information approved by the Legislature thereby removing the Legislative Bill title of HB05-1254. HB05-1254 established the Water Efficiency Grant Program (WEGF). In FY 2009-10, SB10-025 extended the WEGF until July 1, 2020. SB10-025 authorizes annual transfers of up to \$550,000 for FY 2012-13 through FY 2019-20 from the Operational Account of the Severance Tax Trust Fund to the program cash fund. Of this funding, up to \$50,000 is to be used for administrative costs and up to \$500,000 for grants. Any funds that remain in the cash fund on June 30, 2020, must be transferred back to the Operational Account of the Severance Tax Trust Fund. In FY 2007-08, SB07-008 appropriated an additional \$82,749 and 1.0 FTE to the CWCB from the WEGF cash fund. Under SB 09-125, a funding change was made. Funding out of the Severance Tax Operational Account (section 22) for the Water Efficiency Grant Fund (Section 37-60-126 (12) (a), C.R.S.) was reduced by \$100,000 and was refinanced in the same bill (section 19) with \$100,000 out of the Construction Fund. The Department recommends changing the letter note for FY 2010-11 and thereafter, to include the following language: "Of this amount, \$500,029 shall be from the Water Efficiency Grant Program Cash Fund created in Section 37-60-126 (12) (a), C.R.S. and \$100,000 shall be from reserves in the Colorado Water Conservation Board Construction Fund established pursuant to Section 37-60-121 (1) (a), C.R.S.

### SEVERANCE TAX FUND

In Colorado producers of gas, oil, coal, metals, and molybdenum pay a severance tax, with proceeds deposited in the State Severance Tax Trust Fund. One-quarter of the revenue goes into the Fund's Operational Account. Programs supported by the Operational Account must promote natural resource planning, management, and development related to minerals, energy, geology, and water. The legislature may appropriate funds from the Operational Account as follows:

- Colorado Oil and Gas Conservation Commission 45%
- Colorado Geological Survey 20%
- Division of Minerals and Geology 30%



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- Colorado Water Conservation Board 5%

The CWCB annually prepares an Operational Account expenditure proposal comprised of agency initiatives and grant requests submitted by other parties. These proposals are forwarded to the state Minerals, Energy and Geology Policy Advisory Board (MEGA) Board for review and approval. MEGA Board recommendations are forwarded to the CWCB Board and the DNR Executive Director for review and approval. Then, they are included in the DNR's annual budget request.

The fiscal year 2009-10 Long Bill (SB09-259) appropriation for the Severance Tax Fund line item was \$1,275,500. In FY 2010-11, the Long Bill (HB10-1376) appropriation is unchanged at \$1,275,500 and the FY 2011-12 Base Request is for \$1,275,500, which represents the same requested amount as the previous fiscal year.

### INTERBASIN COMPACTS

H.B. 05-1177 Negotiation of Interbasin Compacts created nine permanent basin roundtables to develop a common understanding of existing water supplies and future water supply needs and demands throughout Colorado, and possible means of meeting those needs. To help accomplish this goal, local interest groups and water experts were assembled in each of Colorado's eight major river basins including a sub-region in the metro area. These "Basin Roundtables" include municipal users, agricultural users, local governments, water conservation and conservancy districts, recreational and environmental interests, and the business community. The focus of the Basin Roundtable meetings is information exchange on water use and on consensus building. In FY 2007-08, all funding and 0.5 FTE from H.B. 05-1177 were transferred to the new line item called "Interbasin Compacts."

H.B. 06-1400 Interbasin Compacts was approved during the 2006 Legislative Session. This bill altered the boundaries that defined certain western slope basin roundtables and made an appropriation from the Severance Tax Trust Fund to create the Office of Compact Negotiations. By combining the funding and FTE from H.B. 05-1177, this created a FY 2007-08 Long Bill (SB07-239) line item appropriation in the amount of \$1,108,425 and 1.7 FTE.

In FY 2008-09, the Long Bill (HB08-1375) appropriation for this line item included funding for 2.0 additional FTE that were approved via the decision item process. The FTE assist in the implementation of the Water for the 21st Century Act and the Water

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Supply Reserve Account (created by Senate Bill 06-179). The funding for these 2.0 FTE and operating costs came from existing cash funds from the Interbasin Compact's line item in the CWCB.

Under HB08-1398 (Severance Tax Operational Account transfers), the appropriation for operation of the Interbasin Compact Committee and the associated roundtables was enrolled in statute (see Section 37-75-107). In addition to the FY 2009 legislative change, a funding change was made under SB 09-129 that the Interbasin Compacts funding out of the Severance Tax Operation Account (section 22) was reduced by \$400,000 and was backfilled in the same bill (section 19) with \$400,000 out of the Construction Fund. The Department recommends changing the letter note for FY 2010-11 and thereafter, to include the following language: "Of this amount, \$745,067 shall be from the Interbasin Compact Committee Operation Fund and is continuously appropriated to the Colorado Water Conservation Board pursuant to Section 37-75-107, C.R.S., and \$400,000 shall be from reserves in the Colorado Water Conservation Board established pursuant to Section 37-60-121 (1) (a), C.R.S. The amount from the Interbasin Compact Committee Operation Fund is shown for informational purposes only."

The FY 2009-10 Long Bill (SB09-259) appropriation for this line item was \$1,145,067 and 3.7 FTE. In FY 2010-11, the appropriation (HB10-1376) remained at \$1,145,067 with 3.7 FTE. The Base Request for FY 2011-12 is \$1,145,067 and 3.7 FTE; the information appears on the Long Bill for informational purposes only.

### PLATTE RIVER BASIN COOPERATIVE AGREEMENT

Colorado became a participant in the Platte River Endangered Species Cooperative in 1997. The Cooperative Agreement is a three-year agreement signed by the governors of Wyoming, Colorado, and Nebraska and by the Secretary of the Interior to address the protection and restoration of various endangered species habitats along the North Platte River. The Long Bill appropriation to this line item supports 1.0 FTE and contractual personal services for ongoing administration of the program and Colorado's portion of contract technical support.

The fiscal year 2009-10 Long Bill (SB09-259) appropriation for the Platte River Basin Cooperative Agreement line item was \$233,418 and supports 1.0 FTE. During FY 2009-10, there was a FY 2010-11 August Budget Reduction for a "Statewide Furlough Impact" in the amount of (\$3,460). The same amount of \$3,460 was added back in to the line item for the FY 2010-11 August Budget Reduction Annualization for the "Statewide Furlough Impact" for FY 2010-11. An additional adjustment was applied to the line in the amount of (\$2,519) for a non-Prioritized Budget Amendment for the "Statewide PERA Adjustment." For the FY 2011-12 Base

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Request, the CWCB is requesting that the \$2,519 for the Statewide PERA Adjustment (SB10-146) be restored. The FY 2011-12 Base Request is for the amount of \$233,418 and 1.0 FTE, which is the same as the prior fiscal year.

### S.B. 02-87 COLORADO WATERSHED PROTECTION FUND

Senate Bill 02-087, adopted by the 2002 Colorado General Assembly, establishes the Colorado Watershed Protection Fund (CWPF). The legislation authorized the Fund to be added to the Colorado Individual Income Tax Refund Check-off Program to give taxpayers the opportunity to voluntarily contribute to watershed protection efforts in Colorado. Watershed groups need to apply to the CWPF by April 30th of each year.

The fiscal year 2009-10 Long Bill (SB09-259) and FY 2010-11 Long Bill (HB10-1376) appropriations for the Severance Tax Fund line item were \$119,942 for each fiscal year. The FY 2011-12 Base Request is for \$119,942, which represents the same request amount as the previous fiscal year. There were no adjustments made to this line item.

### INDIRECT COST ASSESSMENT

The Indirect Cost Assessment supports activities in the DNR Executive Director's Office. In the FY 2009-10 Long Bill (SB09-259), the line item appropriation was \$481,731, which included \$9,189 in Federal Funding. The FY 2010-11 Long Bill (HB10-1376) appropriation totals \$510,508, which includes \$8,802 in Federal Funds. The Base Request for FY 2011-12 will be \$510,508 (\$501,706 in Cash Funds and \$8,802 in Federal Funds).

**The total Base Request for FY 2011-12, for all items in the (B) Special Purpose line item portion of the Long Bill is \$4,815,050 and 11.7 FTE. The Total FY 2011-12 request is for \$4,885,772 and 11.7 FTE.**

**The total Base Request for FY 2011-12 for the Colorado Water Conservation Board portion of the Long Bill is \$8,787,457 and 45.7 FTE. The Total FY 2011-12 request is for 8,717,330**

## ***(8) DIVISION OF WATER RESOURCES***

### **PERSONAL SERVICES**

This Division, also called the Office of the State Engineer, is primarily responsible for administration of water resources. The majority of the budget is dedicated to Personal Services expenses. Employees of the Division perform the following functions:

- Daily oversight of water allocation within the state and downstream interstate Compact compliance, monitoring of water supply through streamflow measurements, and groundwater regulation.
- Protection of public safety through regulating dam safety and groundwater well construction.
- Oversight of seven field offices that monitor and distribute water based on priority, as well as ensure dam safety. Activities performed include dam inspections, well permitting, community education and involvement, consultation with water suppliers and conservation districts, and ongoing administration of interstate compacts and federal decrees.
- Collection, preservation, and provision of historic water records and information.

The Water Resources Division has historically been funded primarily from the General Fund. The majority of the Division's General Fund appropriation is attributable to personal services costs. Following is a history of this appropriation, beginning with FY 2008-09.

The total appropriation for **FY 2008-09** was **\$18,355,927 and 263.6 FTE**. This includes the following:

- A FY 2007-08 appropriation of \$18,291,158 and 266.4 FTE.
- A common policy adjustment of \$778,602.
- The annualization of FY 2007-08 Decision Item #3 (DWR Personal Services) required appropriation of \$27,468 in General Funds to account for pay-date shift.
- A Personal Services Base Reduction of \$190,972.
- A reallocation of 2.8 FTE and \$140,727 in personal services to adequately support a well measurement program to assist in compliance with the Republican River Compact (moved to the Republican River Compact line).
- A cash appropriation of \$7,855 (SB-08-169) to review permit applications for uranium mining.

## Line Item Description - FY 2010-11 Budget Request

- A mid-year supplemental reduction (SB 09-195) of \$417,457 in response to the economic crisis. Most of the reduction accrued from the effects of a hiring freeze.

The total appropriation of 18,355,927 and 263.6 FTE includes \$17,832,849 General Funds and \$523,078 in cash funds from the Well Inspection Fund, and from the Ground Water Management Fund.

The total appropriation for **FY 2009-10** was **\$18,412,173 and 256.1 FTE**. This includes the following:

- A FY 2008-09 appropriation of \$18,355,927 and 263.6 FTE.
- A common policy adjustment of \$648,439.
- The annualization of FY 2008-09 Decision Item #4 (Republican River Compact Compliance) of (\$13,182) and (0.2 FTE).
- A base reduction request (BR #1-Online Water Information) that transfers (\$84,000) in spending authority from the Personal Services line to the Operating Expense line. This request recognizes the elimination of personnel expense associated with providing water data to the public; the agency can now provide this data on-line, thus reducing historical personnel costs to provide this data in person.
- Restoration of \$395,035 that was eliminated by SB 09-195 to respond to the economic crisis; most of the reduction was related to the hiring freeze.
- Reallocation of (\$23,103) to OIT to pay administration expenses.
- Personal Services reduction of 1.8% (\$352,242) to compensate for an anticipated shortfall in General Fund revenue due to the economic crisis.
- Supplemental Bill HB 10-1309 reduced the Personal Services budget by (\$514,701) and (5.3 FTE). This includes (\$340,061) and (5.3) FTE Personal Service reduction and (\$174,640) for Budget Reduction “Statewide Furlough Impact.”

The total appropriation of \$18,412,173 and 256.1 FTE includes \$17,899,552 General Funds and \$512,621 in cash funds from the Well Inspection Fund, and from the Ground Water Management Fund.

The total appropriation for **FY 2010-11** is **\$17,798,948 and 243.1 FTE**. This includes the following:

- A FY 2009-10 appropriation of \$18,412,173 and 256.1 FTE.
- Annualization of Supplemental Bill HB 10-1309 “Statewide Furlough Impact” of \$174,640.

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- The restoration of Personal Services cut of \$352,242.
- Decision Item NP-1 “Statewide Information Technology Staff Consolidation” of (\$805,836) and (13.0) FTE.
- non-Prioritized Budget Amendment “Statewide PERA Adjustment” (\$352,323).
- non-Prioritized Statewide Decision Item 1: “IT Staff Consolidation” Impact for PERA Adjustment \$18,052.

The total appropriation of \$17,798,948 and 243.1 FTE includes \$17,283,116 General Funds and \$515,832 in cash funds from the Well Inspection Fund, and from the Ground Water Management Fund.

The budget request for **FY 2011-12** is **\$17,404,582** and **243.1** FTE. It includes:

- The FY 2010-11 appropriation of \$17,798,948 and 243.1 FTE.
- The restoration of the Statewide PERA Adjustment \$334,271.
- Annualization of August 2010 Statewide Personal Services reduction (\$352,176).
- Decision Item NP-4 “Statewide PERA Adjustment” (\$376,461).

This request is comprised of \$16,882,909 General Funds and \$521,673 in cash funds from the Well Inspection Fund and the Ground Water Management Fund.

## **OPERATING EXPENSES**

This line item provides operating support for all Division employees in the personal services line item. It is largely supported with General Fund, but also contains cash funds from the Water Data Bank Cash Fund, the Publication Cash Fund, and the Groundwater Publication Cash Fund, and the Ground Water Management Fund. Following is a history of this appropriation, beginning with FY 2008-09.

The total appropriation for **FY 2008-09** is **\$1,456,384**. This includes the following:

- The FY 2007-08 appropriation of \$1,650,957.
- FY 2007-08 Decision Item #3 reduction of \$61,618 General Funds for one-time capital costs and a reduction of \$500 General Funds for mileage expenses.
- FY 2007-08 Decision Item # 19 annualization reduction of \$9,800 in General Funds to account for efficiencies in mileage operating costs associated with the acquisition of new vehicles.

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- FY 2007-08 Decision Item #3A mileage reimbursement reduction of \$93,553 in Cash Funds Exempt from the Ground Water Management Fund for the FY 08 one-time appropriation.
- FY 2007-08 annualization reduction of \$10,000 General Funds for one-time moving costs for Glenwood Springs Office.
- Decision Item #3 Vehicle Operating Expenses of \$89,663 and Decision Item #4 reduction of \$24,670 for Republican River Compact Compliance.
- A one-time reduction of \$84,095 implemented with a supplemental bill (SB 09-195) to address a shortfall in General Fund revenue.

The total appropriation of \$1,456,384 includes \$932,876 in General Funds and \$523,508 from various sources of DWR cash funds.

The total appropriation for **FY 2009-10** was **\$1,430,751**. This includes the following:

- The FY 2008-09 appropriation of \$1,456,384.
- FY 2008-09 Decision item #4 (Republican River Compact Compliance) annualization of \$3,088.
- Annualization of SB 09-195 Supplemental, to include S-2 Cellular Phone Plan Cost reduction of (\$4,020), and BA-2 End Department participation in State Fair (\$3,555)
- NP-1 "Postal Increase and Mail Equipment Upgrade" \$3,587.
- HB 10-1309 Supplemental Bill (\$24,733), which includes (\$22,050) for reduction in Division personnel and (\$2,682) for Mail Equipment Upgrade.

The total appropriation of \$1,430,751 includes \$991,243 in General Funds and \$439,508 from various sources of DWR cash funds.

The total appropriation for **FY 2010-11** is \$1,399,974. This includes the following:

- The FY 2009-10 appropriation of \$1,430,751.
- Annualization of Supplemental Bill HB 10-139, including "Postage Increase and Mail Equipment Upgrade" of \$2,683.
- Annualization of Statewide Decision item "Postage Increase and Mail Equipment Upgrade" (\$2,759).
- non-Prioritized Budget Amendment "General Fund Operating Reduction" (\$30,850).

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- non-Prioritized Budget Amendment "Mail Equipment Upgrade Supplemental and Budget Amendment" of \$149.

The total appropriation of \$1,399,974 includes \$960,466 in General Funds and \$439,508 from various sources of DWR cash funds.

The budget request for **FY 2011-12** is \$1,400,915. This includes the following:

- The FY 2010-11 appropriation of \$1,399,974.
- Decision Item NP-1 "Printing of Statewide Warrants and Mainframe Documents" of \$941.

This request is comprised of \$961,407 in General Funds and \$439,508 in cash funds.

### **INTERSTATE COMPACTS**

The United States government, pursuant to interstate compact agreements, assesses the Costilla Creek Compact administrative costs. Pursuant to statute, both the Division of Water Resources and the Water Conservation Board participate in various capacities in interstate water compacts and related associations. The interstate organizations were established to promote communication between state and federal agencies, in support of compact agreements. This line item supports compact dues as well as travel and other expenses associated with the State Engineer and/or his designate(s)' representation of Colorado at the various compact commissions. For **FY 2008-09, FY 2009-10, and FY 2010-11** the appropriation for this line item was \$76,002 in General Funds. The Division requests a continuation in appropriation of \$76,002 General Funds for the Interstate Compacts line item in **FY 2011-12**.

### **REPUBLICAN RIVER COMPACT COMPLIANCE**

This line item funds the salary expenses of 5.0 FTE to work on the Republican River Compact in order to address Colorado's obligations under the Republican River Compact and the Final Settlement Stipulation, approved on December 15, 2002, by the United States Supreme Court in *Kansas v. Nebraska and Colorado*, No. 126 Original. The Republican River Compact was ratified in 1942 by the states of Colorado, Kansas, and Nebraska to provide an equitable mechanism to divide the water tributary to the Republican River Basin. The historical allocation of available waters among the three states is based on the application of beneficial use, which included both streamflow diversions and alluvial groundwater pumping. Interim decisions by the Special Master in the case who was appointed to hear the interstate lawsuit and the Final Settlement Stipulation approved by the U.S. Supreme Court, expanded the contributory sources of water supply (streamflows and alluvial ground water) used in the calculation of each state's consumptive use and compact compliance to include ground water stored in the Ogallala aquifer. Prior to this decision to include this ground water,



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Colorado's 30,000 acre-feet consumptive use per year was less than our 54,100 acre-feet allocation under the compact. However, including the consumptive use from all ground water wells, combined with the seven year drought in the eastern high plains has caused Colorado to exceed its Republican River Compact allocations. The Final Settlement Stipulation requires Colorado to perform numerous tasks to address compliance with the compact and the Supreme Court decision.

The appropriation for **FY 2008-09** was \$297,736 and 4.7 FTE. It is comprised of \$203,736 in General Funds and \$94,000 in cash funds from the Well Enforcement Fund. This includes:

- The FY 2007-08 appropriation of \$46,047 and 1.0 FTE.
- FY 2008-09 Decision Item #4 Republican River Compact Compliance of \$270,697 General Funds and 3.7 FTE.
- A hiring freeze reduction of (\$19,008) implemented by SB 09-195.
- A one-time refinance of \$94,000 in General Funds with Well Enforcement Cash Fund reserves (SB 09-195).

The appropriation for **FY 2009-10** was \$314,558 General Funds and 5.0 FTE. It includes:

- The FY 2008-09 appropriation of \$297,736.
- Annualization of FY 2008-09 Decision Item #4 Republican River Compact Compliance of \$2,513 and 0.3 FTE.
- Annualization of Salary Survey awarded in FY 2008-09 of \$1,245.
- Annualization of Performance Pay Awarded in FY 2008-09 of \$510.
- Add back of FY 2008-09 Hiring Freeze Savings (SB 09-195) of \$19,008.
- Implementation of HB 10-1309 Supplemental for “Statewide Furlough Impact” (\$6,454).

The appropriation for **FY 2010-11** is \$316,704 in General Funds and 5.0 FTE. It includes:

- The FY 2009-10 appropriation of \$314,558.
- Annualization of “Statewide Furlough Impact” \$6,454.
- non-Prioritized Budget Amendment “Statewide PERA Adjustment” (\$4,308).

The budget request for **FY 2011-12** is \$307,872 in General Funds and 5.0 FTE. It includes:

- The FY 2010-11 appropriation of \$316,704.
- Restoration of “Statewide PERA Adjustment” of \$4,308.
- Annualization of August 2010 state-wide Personal Services reduction (\$6,198).
- Decision Item NP-4 “Statewide PERA Adjustment” (\$6,942).

**SATELLITE MONITORING SYSTEM**

This line item supports satellite-linked water resource monitoring stations throughout the state. This system provides "real-time" stream flow information that is used by the Division, consumptive water users such as agricultural users, and other interested persons such as rafters and anglers. Stations record stream flow and transmit the information to a database. Once on the database, the information is accessible via computer, telephone, and the Internet. Cash revenue is generated through fees from local conservancy districts, water users, user associations, and municipalities, pursuant to Section 37-80-111.5, C.R.S.

The Division of Water Resources began operating the Satellite-Linked Monitoring System in 1985; the system has become one of the most important and integral tools for the administration and management of Colorado's water resources. The data collected from over 500 stations are used by clients that include the Division of Water Resources personnel, other state and federal agencies including the Colorado Water Conservation Board and the United States Geological Survey, municipalities, canal companies, attorneys, and consulting engineers.

A large number of these locations are essential to the early flood warning system, low flow warning system, critical water rights, and interstate compacts. The data collected by this program are valuable in drought periods. A major portion of the Satellite-Linked Monitoring System appropriation (approximately 51 percent) is used for personal services, including wages for an electronics technician and a satellite monitoring system coordinator. The electronics technician is responsible for the repair and maintenance of existing gauging sites, as well as the installation of any new stations that may be required. The Satellite-Linked Monitoring System coordinator handles the coordination of the Division's Satellite-Linked Monitoring System within the agency, and with other state, county, and federal agencies in an ongoing effort to keep the Satellite-Linked Monitoring System operating efficiently. The balance is used for the purchase of supplies necessary for the maintenance and upkeep of the gauging sites and mileage for the technician to travel to and from the many sites.

The appropriation for **FY 2008-09** was \$367,942 and 2.0 FTE. It is comprised of \$205,053 in General Funds and \$162,889 in cash funds from the Satellite Monitoring Fund. This includes:

- The FY 2007-08 appropriation of \$361,603.
- A common policy adjustment of \$7,446.
- A General Fund reduction of \$1,107 (SB09-195) related to a cellular phone cost reduction plan.

## Line Item Description - FY 2010-11 Budget Request

- A refinance (one-time only) of \$48,000 in General Fund expenses with cash reserves from the Satellite Monitoring Fund.

The appropriation for **FY 2009-10** was \$397,187 and 2.0 FTE. It consists of \$212,298 and 2.0 FTE in General Funds and \$184,889 in cash funds from the Satellite Monitoring Fund. It includes:

- The FY 2008-09 appropriation of \$367,942.
- Restoration of the cell phone savings for FY 2008-09 supplemental (SB 09-195), \$1,107.
- S-2 Cellular Phone plan reduction for FY 2009-10, (\$1,898).
- Annualization of performance awards granted for FY 2008-09, \$1,845.
- Annualization of salary survey granted for FY 2008-09, \$3,603.
- Decision item # 12 Satellite Monitoring System of \$30,000
- HB 10-1309 Supplemental “Statewide Furlough Impact” (\$5,412).
- August Supplemental “Increase in Fee Revenue for the Satellite Monitoring System” which refinanced \$40,000 in General Funds with \$40,000 in Satellite Monitoring Cash Funds for a net difference of \$0.

The appropriation for **FY 2010-11** is \$398,987 and 2.0 FTE. It consists of \$194,098 and 2.0 FTE in General Funds and \$204,889 in cash funds provided by the Satellite Monitoring Fund. This request includes:

- The FY 2009-10 appropriation of \$397,187.
- Annualization of HB 10-1309 Supplemental “Statewide Furlough Impact” of \$5,412.
- non-Prioritized Budget Amendment “Statewide PERA Adjustment” (\$3,612).
- DI #5 Increase Fee Revenue for the Satellite Monitoring System.” Annualization of a FY 2009-10 August Supplemental request to refinance \$60,000 of General Fund expenses with \$60,000 in cash funds from the Satellite Monitoring Fund. This will be accomplished by obtaining cooperators to pay a monthly fee of \$100 for support of 50 gages that are not currently supported by fees.

The budget request for **FY 2011-12** is \$395,347 and 2.0 FTE. It consists of \$190,458 and 2.0 FTE in General Funds and \$204,889 in cash funds provided by the Satellite Monitoring Fund. It includes:

- The FY 2010-11 appropriation of \$398,987.

## Line Item Description - FY 2010-11 Budget Request

- Restoration of “Statewide PERA Adjustment” of \$3,612.
- Annualization of August 2010 state-wide Personal Services reduction (\$3,656).
- Decision Item NP-4 “Statewide PERA Adjustment” (\$3,596).

### **AUGMENTATION OF WATER FOR SAND AND GRAVEL EXTRACTION**

This line item supports contracts for the evaluation of augmentation plans for extraction of sand and gravel, which are required by Section 37-90-137 (11) (a) and (b), C.R.S. (2009). Sand and gravel pit owners (applicants) must submit water augmentation plans. By statute, these plans must be reviewed by the Water Resources Division. Fees are collected from applicants obtaining a well permit for exposing ground water in the process of sand and gravel extraction. House Bill 06-1293 increased fees charged for obtaining a groundwater pumping permit, reactivating a mining operation, reviving an approved but expired water supply plan, and resubmitting a disapproved substitute water supply plan. The bill also increased fees for renewing a groundwater well pumping permit. This bill increased the Division’s appropriation by \$9,400 from \$35,000 in **FY 2005-06** (and previous years) to \$44,400 in **FY 2006-07**, and subsequent years. The Division requests a continuing level of funding of \$44,400 in Cash Funds for **FY 2011-12**. The source of funding is the Gravel Pit Lakes Augmentation Fund authorized in Section 37-90-137 (11) (f), C.R.S.

### **EMERGENCY DAM REPAIR**

Pursuant to Section 37-87-108.5, C.R.S. (2009), this appropriation provides funding to the State Engineer in the event emergency action is necessary to repair a dangerous or threatened dam. Cash funds are from the emergency dam repair cash account within the Water Conservation Board Construction Fund. Pursuant to Section 37-60-122.5, C.R.S., a maximum amount of \$50,000 is continuously appropriated. Funds expended are recoverable from the dam owner. There has been no event requiring the use of these funds to date, but the appropriation reflects the continuous spending authority should a need arise. The request is for a continuation in appropriation of \$50,000 for **FY 2011-12**.

### **FEDERAL GRANT**

This line reflects the federal grants anticipated to be received. Part of the funding is from the Federal Emergency Management Agency (FEMA) to support the Division's Dam Safety program; the funding also includes small sums from the U.S. Bureau of Reclamation to

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support a water project in the San Luis Valley and provide gauging station maintenance for the Williams Fork gauge in northwestern Colorado. Beginning in FY 2009-10, the agency received a new grant for \$50,000 from the USGS to be expended over two years; this grant is designed to support the stewardship of Colorado water data that is incorporated within the National Hydro Data Stewardship Project.

- The total appropriation for **FY 2008-09** was \$84,000; this represents a small increase in funding, primarily from FEMA.
- The total appropriation for **FY 2009-10** was \$94,246. Again, this represented an increase, primarily from FEMA. This includes an HB 10-1309 Supplemental “Statewide Furlough Impact” (\$536).
- The total appropriation for **FY 2010-11** is \$133,422. This reflects an additional \$39,030 received for the National Hydro Data Stewardship project, and increased support for existing grants, primarily from FEMA. This includes the Annualization of HB 10-1309 Supplemental “Statewide Furlough Impact” of \$536. Also included is the non-Prioritized Budget Amendment “Statewide PERA Adjustment (\$390).
- The budget request for **FY 2011-12** is \$126,042. This includes the restoration of the “Statewide PERA Adjustment” of \$390, an anticipated increase in Bureau of Reclamation Closed Basin Grant of \$3,230, and the anticipated decrease in USGS Hydrologic Data Stewardship Project (\$11,000).

### **RIVER DECISION SUPPORT SYSTEM**

The River Decision Support System represents a statewide decision support system for the Colorado, Rio Grande, South Platte, and Arkansas River Basins. The system has been implemented and is under maintenance for the Colorado and Rio Grande Rivers. We are in the final phase of development for the South Platte River Decision Support System. A contractor has been hired to design a plan for development of the Arkansas River Decision Support System. The system consists of databases and models that facilitate decision making related to interstate compacts, water resource planning, and water rights administration, through use of historic data and a geographic information system.

Water Management in the State of Colorado is governed by a series of interstate compacts, international treaties, state and federal laws, and U.S. Supreme Court decrees. In 1993 the Colorado legislature authorized the Colorado Water Conservation Board (CWCB)

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and the Division of Water Resources (DWR) to design and construct a system for the Colorado River drainage. In 1997, an extension of this system was authorized for the Rio Grande basin. In 2002, an extension of this system was authorized for the South Platte basin. Long range plans include the Arkansas River Basin and thereby provide complete statewide coverage. These systems are collectively known as the Colorado's Decision Support Systems (CDSS). The principle goal of the CDSS system is to provide the capability to provide factual information on which to make informed decisions concerning the management of Colorado water. The CDSS has provided significant benefits to the State of Colorado (Division of Water Resources, and Colorado Water Conservation Board), and the water user community, including agriculture, recreation (anglers, rafting, boating), safety, and conservation. Direct benefits include allowing decision-makers access to water resource data to simulate potential decisions and policies and examine potential consequences related to the following:

- Interstate Compact Policy, including evaluation of alternative reservoir operating policies, and determination of available water for development and maximization of Colorado's apportionment.
- Water Rescue Planning, including development and use of a water resource-planning model (i.e. new projects, water exchanges, operating plans) and evaluation of impacts of instream flow appropriations (e.g. endangered fish flow, minimum flows).
- Water Rights Administration, including optimization of water rights administration, on-line sharing of information between water users, and administration of water rights within compact allocations (i.e., alternative strategies of administration which will enable the maximum use of available resource).

Both the Colorado Water Conservation Board and the Division of Water Resources share maintenance of the Decision Support System. By definition, maintenance begins in a basin when its development is essentially complete. Therefore, the Decision Support System maintenance program includes the Colorado River and Rio Grande Basins. Funds for this program have been provided both in the annual Colorado Water Conservation Board Construction Fund Bill (in support of development) and in the Long Bill (in support of ongoing costs starting in FY 1998-99). Appropriations have been made to both the Water Conservation Board and the Division of Water Resources.

For FY **2008-09**, the Division received \$346,286 cash funds from the Colorado Water Conservation Board Construction Fund and 4.0 FTE. This consists of:

- The FY 2007-08 appropriation of \$366,747.
- A common policy adjustment of \$12,508.

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- A reduction of \$32,969 (SB-09-195) for savings from the hiring freeze.

For **FY 2009-10**, the Division received \$381,383 cash funds from the Colorado Water Conservation Board Construction Fund and 4.0 FTE. This consists of:

- The FY 2008-09 appropriation of \$346,286.
- Salary survey of \$8,837 awarded in FY 2008-09.
- Performance awards of \$3,208 awarded in FY 2008-09.
- Restoration of hiring freeze savings, \$32,969.
- HB 10-1309 Supplemental “Statewide Furlough Impact” (\$9,917).

For **FY 2010-11**, the Division will receive \$205,391 cash funds from the Colorado Water Conservation Board Construction Fund and 2.0 FTE. This consists of:

- The FY 2009-10 appropriation of \$381,383.
- Annualization of HB 10-1309 Supplemental “Statewide Furlough Impact” of \$9,917.
- Decision Item NP-1 “Statewide Information Staff Consolidation (\$182,784) and (2.0 FTE).
- non-Prioritized Budget Amendment “Statewide PERA Adjustment” (\$7,220).
- OIT Staff Adjustment for “Statewide PERA Adjustment” of \$4,095.

The total budget request for **FY 2011-12** is \$205,390 from the Colorado Water Conservation Board Construction Fund and 2.0 FTE. This includes:

- The FY 2010-11 appropriation of \$205,391.
- Restoration of “Statewide PERA Adjustment” of \$3,125.
- Decision Item NP-4 “Statewide PERA Adjustment” (\$3,126).

### **TEMPORARY INTERRUPTIBLE WATER SUPPLY AGREEMENTS**

House Bill 03-1334 enabled water users to transfer the historical consumptive use of an absolute right for application to another type or place of use on a temporary basis, without permanently changing the water right. The legislation authorized the State Engineer to approve and administer interruptible water supply agreements that permit a temporary change in the point of diversion, location of use, and type of use of any absolute water right without the need for adjudication. In **FY 2005-06**, the funding associated with this

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legislation was separated out into its own line item, pursuant to the Division's request. The funding will only be expended in this area upon the request for the temporary interruptible water supply agreement and hence the revenues would be raised. No requests have been received by the Division since enactment of the legislation in 2003. The request is for a continuing level of funding of \$61,589 cash funds from the Ground Water Management Cash Fund for **FY 2011-12**.

### **WELL ENFORCEMENT**

Senate Bill 04-225 authorized the State Engineer and ground water management districts to issue well permit enforcement orders to facilitate administration of designated ground water, including a requirement to provide records of energy used to pump ground water. This bill also authorized the State Engineer to seek court enforcement of such orders, and it created a well enforcement cash fund for penalties collected pursuant to the provisions of the bill. The fund is to be used for the investigation and enforcement of violations of orders or to regulate ground water. The fiscal note estimated that the bill could be implemented with existing staff. This line item is used for travel expenses. This request seeks a continuing level of funding of \$1,489 cash funds from the Well Enforcement Cash Fund for **FY 2011-12**.

### **INDIRECT COST ASSESSMENT**

The amount collected from this line item is used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office. For **FY 2008-09**, the Division's appropriation was \$56,670, represented by \$59,757 for the Final FY 2007-08 Appropriation and a reduction of \$3,087 in anticipated needs. The appropriation for **FY 2009-10** is \$42,670, which includes a change to Indirect Cost (\$10,080). The appropriation for **FY 2010-11** is \$33,908. The base request for **FY 2011-12** is an appropriation of \$47,027, which is comprised of \$43,946 from various sources of cash funds and \$3,081 in Federal Funds.

### **SATELLITE MONITORING SYSTEM MAINTENANCE**

This line item is included to reflect the cash funds spending authority to water projects from the Colorado Water Conservation Board Construction Fund established pursuant to Section 37-60-121 (1) (a), C.R.S. This is not a line item in the Long Bill. Senate Bill 07-122 appropriated \$350,000 in Cash Funds Exempt to the Division of Water Resources for **FY 2007-08** and House Bill 08-1346 appropriated \$350,000 in Cash Funds to the Division of Water Resources for **FY 2008-09**. Senate Bill 09-125 appropriated \$350,000 in cash funds for **FY 2009-10**. House Bill 10-1250 Water Conservation Board Construction Fund appropriated \$250,000 in cash fund



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for **FY 2010-11**. There was an adjustment for one-time appropriation for FY 2010-11 Budget (\$250,000). There will be no request for **FY 2011-12**.

## **Colorado Division of Wildlife**

*\*Note – Expenditures by the DOW were previously categorized as cash funds exempt, but are categorized as cash funds starting in FY 2008-09.*

### ***(A) Division Operations***

#### **Director's Office**

This line item, the first of four lines under the Long Bill Group titled “Division Operations”, is appropriated based on the prioritization of work related to the functions that fall under the Director’s Office, the Planning, Budgeting, and Evaluation section, and the Wildlife Commission operations. The DOW utilizes a three-step modified zero-based approach to prioritize its internal budget which ultimately is used to develop its external budget request. This three-step process follows the DOW’s hierarchical chain of command, with final budget set by the Director and his/her staff.

HB 08-1375, the FY 2008-09 Long Bill, appropriated \$2,048,629 for the Director’s Office Line item and 18.0 FTE. The final appropriation consists of the \$1,993,773 base request plus the FY 2008-09 Salary Survey adjustment of \$39,671 and the Performance-based Pay adjustment of \$15,185 (@80%). The DOW’s Base Request was \$2,052,241. However, this requested amount included a \$3,612 SAED base increase which was adjusted during Figure Setting by the Joint Budget Committee (FY 2008-09 Department of Natural Resources Figure Setting page 70). The following three Supplemental Requests affected the Division: 1) S-2 Cellular Phones Cost Reduction for a reduction of \$562; 2) NP-Supplemental (no priority number was assigned by DOIT) - OIT Common Policy – Management and Administration of OIT was submitted by OIT for a reduction of \$55,212; and, 3) S-20 - Hiring Freeze Reduction for a reduction of \$39,105 as a cost savings from the Governor’s mandated hiring freeze that was implemented in October 2008. The Supplemental Requests were approved by the Joint Budget Committee (FY 2009-10 Department of Natural Resources Figure Setting page 79) and appropriated in the Supplemental Bill (SB 09-195) for a total reduction of \$94,879. As a result, the final FY 2008-09 appropriation was \$1,953,750.

SB 09-259, the FY 2009-10 Long Bill, appropriated \$2,058,660 for the Director’s Office line item and 18.0 FTE. This appropriation consists of a \$2,048,629 base request plus \$55,320 for Salary Survey and \$16,828 for Performance-based Pay (@80%). In addition, the Department submitted Statewide Decision Item NP-1 – Postage Increase and Mail Upgrade in the amount of 2,176. These funds were designated for new equipment purchases made by the Integrated Document Solutions (IDS) within the Division of Central Services. The following two requests submitted in FY 2008-09 were Supplemental Requests with corresponding Budget

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Amendments, therefore, these adjustments were made to the Division's FY 2009-10 base request: NP-Supplemental (no priority number was assigned by DOIT) OIT Common Policy – Management and Administration of OIT included a Budget Amendment for a reduction of \$63,330; and S-2 Cellular Phones Cost Reduction included a budget amendment for a reduction of \$963. These budget amendments were approved during Figure Setting by the Joint Budget Committee (FY 2009-10 Department of Natural Resources Figure Setting Page 79). The FY 2009-10 supplemental bill (HB10-1309) included reductions of \$1,628 for the non-prioritized mail equipment upgrade and \$39,949 for the statewide furlough impact. As a result, the final FY 2009-10 appropriation was \$2,017,083 and 18.0 FTE.

HB10-1376, the FY 2010-11 Long Bill, appropriated \$2,028,560 for the Director's Office Line Item and 18.0 FTE. This appropriation consists of the continuation budget of \$2,056,484 minus the non-prioritized supplemental and budget amendment PERA adjustment \$28,518, plus the non-prioritized statewide supplemental and budget amendment for the mail equipment upgrade \$91 (FY 2010-11 Department of Natural Resources Figure Setting page 85). The Division submitted the non-prioritized mail equipment upgrade annualization of \$2,173 however the JBC staff reduced this amount to \$1,673 resulting in an offsetting increase to the Division of \$503 after figure setting. For FY 2010-11 there were no adjustments made for salary survey or performance-based pay. As a result the final FY 2010-11 appropriation was \$2,028,560.

The Division's base request for FY 2011-12 is \$2,057,078 and 18.0 FTE. The request represents a continuation of the \$2,028,560 base request plus a restoration of \$28,518 for the "non- OIT staff PERA Adjustment."

The FY 2011-12 request includes non-prioritized decision item #4 "Statewide PERA Adjustment," which is a reinstatement of the PERA Adjustment. This results in a reduction of \$26,012.

*Note: See the DOW's Reconciliation and/or Schedule 3 for information regarding fund splits.*

### **Wildlife Management**

This line item is appropriated based on prioritization of work related to the all functions within the DOW, less the Director's Office, Technical Services, and the Information Technology function. Some of those functions are, Wildlife related activities, Customer Service, Wildlife Conservation, Research, Aquatic Conservation, Law Enforcement, and functions related to the DOW's regional activities (such as energy extraction impacts on wildlife habitats). This is not an all inclusive list, due to the volume of budgeted functions within this line item. The DOW utilizes a three-step modified zero-based approach to prioritize its internal budget which is

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ultimately used to develop its external budget request. This three-step process is used to identify the highest priority work to be funded.

HB 08-1375, the FY 2008-09 Long Bill, appropriated \$63,387,101 for the Wildlife Management line item and 555.4 FTE. The final appropriation consists of the \$62,153,521 base request plus the FY 2008-09 Salary Survey adjustment of \$1,099,413, the FY 2008-09 Performance-based Pay adjustment of \$367,946 (@80%) and a 1.0% JBC common policy personal services reduction of \$433,779. In addition, the DOW submitted FY 2008-09 Decision Item Request DI #22 to increase the appropriation for PEAC from \$900,000 to \$1,100,000, this increased the Wildlife Management Public Education Fund established pursuant to Section 33-1-112 (3.5) (a) C.R.S. This request was approved and the appropriation was increased by \$200,000.

Finally, the following special bills impacted the FY 2008-09 appropriation:

- S.B. 08-013 “Severance Tax” increased the appropriation by \$1,519,927.
- S.B. 08-155 “OIT Consolidation” reduced the appropriation by 1.0 FTE.
- S.B. 08-169 “Hardrock Mining Fees” increased the appropriation by 4,934.
- S.B. 09-195 “Supplemental Bill” decreased the appropriation by \$1,249,085 (S-20 - Hiring Freeze Reduction for \$1,218,204 and S-2 Cellular Phones Cost Reduction for \$30,881).

As a result, the final FY 2008-09 Wildlife Management appropriation after special bills was \$63,662,877 and 554.4 FTE.

SB 09-259, the FY 09-10 Long Bill, appropriated \$65,897,433 for the Wildlife Management line item and 554.4 FTE. The final appropriation consisted of \$64,911,962 and 554.4 FTE base request plus \$1,377,608 Salary Survey, \$410,638 Performance-based Pay (@80%), \$49,217 annualization related to S.B. 08-013 “Severance Tax”. In addition, the following three change requests affected the FY 2009-10 appropriation: 1) Decision Item NP-1 “Statewide Postage and Mail Equipment Upgrade” for \$20,539; 2) Supplemental Request S-2 “Cellular Phones Cost Reduction” for a reduction of \$52,939; and 3) Budget Amendment BA-2 to end Department participation in the Colorado State Fair for a reduction of \$6,686. Further, the mandated JBC Personal Service reduction of 1.8174% (Page 1374 of the April 22, 2009 General Assembly House Journal lines 39-48) reduced this appropriation by \$812,906. The FY

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2009-10 supplemental bill (HB10-1309) included reductions of \$15,364 for the non-prioritized mail equipment upgrade and \$319,590 for the statewide furlough impact. As a result, the final FY 2009-10 appropriation was \$65,562,479 and 554.4 FTE.

HB10-1376, the FY 2010-11 Long Bill, appropriated \$65,832,921 for the Wildlife Management line item and 551.4 FTE. This appropriation consists of the continuation budget of \$66,873,618 and 554.4 FTE minus the non-prioritized supplemental and budget amendment PERA adjustment \$853,463, plus the non-prioritized statewide supplemental and budget amendment for the mail equipment upgrade \$855, and adjustments for the non-prioritized statewide decision item IT Staff Consolidation of \$197,256 and 3.0 FTE plus \$4,418 (non-OIT staff PERA adjustment) (FY 2010-11 Department of Natural Resources Figure Setting page 86). The Division submitted the non-prioritized mail equipment upgrade annualization of \$20,540 however the JBC staff reduced this amount to \$15,791 resulting in an offsetting increase to the Division of \$4,749 after figure setting. For FY 2010-11 there were no adjustments made for salary survey or performance-based pay. As a result the final FY 2010-11 appropriation was \$65,832,921 and 551.4 FTE.

The FY 2011-12 request is \$66,681,966 and 551.4 FTE. This request represents a \$65,832,921 base request plus a restoration of \$853,463 for the “PERA Adjustment” and an annualization of the OIT-staff “PERA Adjustment” of (\$4,418).

The FY 2011-12 request includes non-prioritized decision item #4 “Statewide PERA Adjustment,” which is a reinstatement of the PERA Adjustment. This results in a reduction of \$854,127. The request also includes a reduction of \$1,569,144 for Base Reduction Item #1 “Eliminate General Fund Support for State Parks.” This reduction will help fund the severance tax backfill contained in that base reduction item.

*Note: See the DOW’s Reconciliation and/or Schedule 3 for information regarding fund splits.*

### **Technical Services**

This line item is appropriated based on the prioritization of work related to the functions that are considered administrative in nature. These include issuing hunting licenses through a lottery-type process, engineering, accounting, purchasing, contracts, human resources, and the education and training of newly hired officers. As with the other two lines mentioned above, the DOW utilizes a three-step approach to its internal budget prioritization prior to submitting its Budget Request.

HB 08-1375, the FY 2008-09 Long Bill, appropriated \$6,516,885 for the Technical Service line item and 61.0 FTE. The final appropriation consists of the \$6,375,414 base request plus \$144,437 Salary Survey, \$48,620 Performance-based Pay (@80%) and a JBC Common Policy Personal Services Reduction of \$51,586. The DOW’s Base Request was \$6,566,679. However, this requested

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amount included an OSPB base reduction in the amount of \$11,162 and a \$9,370 SAED base increase. These amounts were adjusted during Figure Setting by the Joint Budget Committee (FY 2008-09 Department of Natural Resources Figure Setting page 72). As a result, the final FY 2008-09 appropriation was \$6,516,885 and 61.0 FTE.

SB 09-259, the FY 2009-10 Long Bill, appropriated \$6,616,044 for the Technical Services line item and 61.0 FTE. The request represents \$6,516,885 base request plus the FY 2008-09 Salary Survey adjustment of \$135,413 and the FY 2008-09 Performance-based Pay adjustment of \$48,750 (@80%). In addition, the Department submitted Decision Item NP-1 "Postage Increase and Mail Equipment Upgrade" in the amount of \$16,034. The FY 2008-09 Supplemental Request S-2 "Cellular Phones Cost Reduction" included a Budget Amendment in FY 2009-10 for a reduction of \$2,301. This budget amendment was approved during Figure Setting by the Joint Budget Committee (FY 2009-10 Department of Natural Resources Figure Setting Page 81). In addition, the JBC approved a Federal Fund reduction in the amount of \$2,599 through its Figure Setting process (FY 2009-10 Department of Natural Resources Figure Setting page 81). JBC staff inadvertently reduced Federal Funds by \$2,599 rather than shifting the funding between cash and Federal Funds sources. Further, the mandated JBC Personal Service reduction of 1.8174% (Page 1374 of the April 22, 2009 General Assembly House Journal lines 39-48) reduced this appropriation by \$96,138. The FY 2009-10 supplemental bill (HB10-1309) included reductions of \$11,993 for the non-prioritized mail equipment upgrade and \$30,239 for the statewide furlough impact. As a result, the final FY 2009-10 appropriation was \$6,573,812 and 61.0 FTE.

HB10-1376, the FY 2010-11 Long Bill, appropriated \$6,497,912 for the Technical Services line item and 60.0 FTE. This appropriation consists of the continuation budget of \$6,696,148 and 61.0 FTE minus the non-prioritized supplemental and budget amendment PERA adjustment of \$94,026, plus the non-prioritized statewide supplemental and budget amendment for the mail equipment upgrade \$667, and decrease for the non-prioritized statewide decision item IT Staff Consolidation of \$111,072 and 1.0 FTE and \$2,488 (non-OIT staff PERA adjustment) (FY 2010-11 Department of Natural Resources Figure Setting page 87). The Division submitted the non-prioritized mail equipment upgrade annualization of (\$16,034) however the JBC staff reduced this amount to (\$12,327) resulting in an offsetting increase to the Division of \$3,707 after figure setting. For FY 2010-11 there were no adjustments made for salary survey or performance-based pay. As a result the final FY 2010-11 appropriation was \$6,497,912 and 60.0 FTE.

The FY 2011-12 request is \$6,589,450 and 60.0 FTE. The request represents a base request of \$6,497,912 plus \$94,026 to restore the "PERA Adjustment" minus an annualization of (\$2,488) for the OIT staff "PERA Adjustment."

The FY 2011-12 request includes non-prioritized decision item #4 "Statewide PERA Adjustment," which is a reinstatement of the PERA Adjustment. This results in a reduction of \$72,676.

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*Note: See the DOW's Reconciliation and/or Schedule 3 for information regarding fund splits.*

### **Information Technology**

This line is composed solely of the Information Technology (IT) section (18.0 FTE) and all activities related to IT. This section supports IT systems and services necessary for core DOW functions by providing computer and communications infrastructure, asset management, user support, standardized software applications, internet oversight, development of information technology policies and plans, and the development and maintenance of new and existing business applications. As with the other three lines mentioned above, the DOW utilizes a three-step approach to prioritize its budget requests.

*\*Note – The All state IT staff has been transferred to the Governor's Office of Information Technology (OIT) as of July 1, 2010.. However, not all staff in this line were transferred by OIT, leaving 2.0 IT staff remaining in this appropriation.*

HB 08-1375, the FY 2008-09 Long Bill, appropriated \$2,893,500 for the Information Technology line item and 18.0 FTE. The final appropriation consists of the \$2,816,199 base request plus the FY 2008-09 Salary Survey adjustment of \$59,038, the FY 2008-09 Performance-based Pay adjustment of \$18,263 (@80%). The DOW's Base Request was \$2,893,829. However, this requested amount included a \$329 SAED base increase. This amount was adjusted during Figure Setting by the Joint Budget Committee (FY 2008-09 Department of Natural Resources Figure Setting page 73). The final FY 2008-09 appropriation was \$2,893,500 and 18.0 FTE.

SB 09-259, the FY 2009-10 Long Bill, appropriated \$2,957,658 for the Information Technology line item and 18.0 FTE. The request represents \$2,893,500 base request plus \$60,778 Salary Survey and \$17,626 Performance-based Pay (@80%). The DOW submitted S-2 Cellular Phone Cost Reduction in FY 2008-09 with corresponding Budget Amendment for a reduction of \$14,246. This budget amendment was approved during Figure Setting by the Joint Budget Committee (FY 2009-10 Department of Natural Resources Figure Setting Page 79). The FY 2009-10 supplemental bill (HB10-1309) included a reduction of \$35,107 for the statewide furlough impact. As a result, the final FY 2009-10 appropriation was \$2,922,551 and 18.0 FTE.

HB10-1376, the FY 2010-11 Long Bill, appropriated \$1,580,395 for the Technical Services line item and 2.0 FTE. This appropriation consists of the continuation budget of \$2,957,658 and 18.0 FTE minus the non-prioritized supplemental and budget amendment PERA adjustment in the amount of \$31,765, and adjustments for the non-prioritized statewide decision item IT Staff Consolidation of in the amount of \$1,376,328 and 16.0 FTE and \$30,830 (non OIT staff PERA adjustment) (FY 2010-11 Department of Natural Resources

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Figure Setting page 87). For FY 2010-11 there were no adjustments made for salary survey or performance-based pay. As a result the final FY 2010-11 appropriation was \$1,580,395 and 2.0 FTE.

The FY 2011-12 base request of \$1,581,330 and 2.0 FTE represents a continuation level of funding of \$1,580,395 plus \$31,765 to restore the “PERA Adjustment” minus an annualization of \$30,830 for OIT staff “PERA Adjustment.”

The FY 2011-12 request also includes an increase of \$2355 to reflect the fact that the Department of Personnel and Administration will begin directly billing departments for the cost of printing warrants and mainframe documents.

*Note: See the DOW’s Reconciliation and/or Schedule 3 for information regarding fund splits.*

### **(B)Special Purpose**

#### **Wildlife Commission Discretionary Fund**

This line, the first of five lines entitled “Special Purpose” in the Long Bill, is the Wildlife Commission Discretionary Fund. This appropriation is used by the Wildlife Commission to provide funds to the DOW to enhance wildlife and wildlife management. The DOW must apply to the Commission for this money and may work in cooperation with other agencies to complete the proposed projects. Projects funded prior to FY 2008-09 out of the Wildlife Commission Discretionary Fund have included the Deloitte & Touche Management Review, a cooperative workshop with Colorado State University on Whirling Disease, partial funding for the purchase of the DOW’s new budgeting software system, partial funding for research on declining mule deer populations in Colorado, and a study on limited licensing. FY 2008-09 projects included partial funding of equipment for additional video conferencing sites, NE Regional Coyote Management outreach materials and coyote control equipment, partial funding for I-70 Game Ramps, partial funding for Mountain Lion Exhibit and non-felt soled wading boots.

HB 08-1375, the FY 2008-09 Long Bill, appropriated \$160,000 for the Wildlife Commission Discretionary Fund line item. There were no changes to the appropriation.

SB 09-259, the FY 2009-10 Long Bill, appropriated \$160,000 for the Wildlife Commission Discretionary Fund line item. There were no changes to the appropriation.



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HB10-1376, the FY 2010-11 Long Bill, appropriated \$160,000 for the Wildlife Commission Discretionary Fund line item. There were no changes to the appropriation.

The FY 11-12 base request of \$160,000 represents a continuation level of funding.

### **Game Damage Claims and Prevention**

This line is composed solely of the Game Damage Claims and Prevention program. This appropriation represents spending authority for the costs associated with a game damage claim against the DOW as well as buying game damage prevention materials. It is not possible to accurately predict the spending on claims as it is dependent upon many factors, including the weather. Examples of prevention materials includes fencing, hay storage, pyrotechnics, and other materials which are provided to landowners for the purpose of preventing damage (and potential Division liability) to standing and harvested crops, forage, and other property.

HB 08-1375, the FY 2008-09 Long Bill, appropriated \$1,050,000 for the Game Damage Claims and Prevention line item. SB09-024 “Wildlife Division Response to Game Damage” appropriated an additional \$600,000 for FY 2008-09 and \$1,450,000 for the FY 2009-10 appropriation. The final appropriation for FY 2008-09 after the special bill was \$1,650,000.

SB 09-259, the FY 2009-10 Long Bill, appropriated \$1,050,000 for the Game Damage Claims and Prevention line item. SB09-024 “Wildlife Division Response to Game Damage” appropriated an additional \$1,450,000 for FY 2009-10. The FY 2009-10 Game Damage Claims and Prevention appropriation after Special Bills was \$2,500,000

HB10-1376, the FY 2010-11 Long Bill, appropriated \$1,282,500 for the Game Damage Claims and Prevention line item. During Figure Setting the JBC reduced this appropriation by \$1,217,500 to reflect the figures provided in the Fiscal Note attached to SB09-024 (FY 2010-11 JBC Figure Setting document page 90). As a result the final FY 2010-11 appropriation was \$1,282,500.

The FY 2011-12 base request of \$1,282,500 represents a continuation level of funding.

### **In-stream Flow Program**

This line is composed solely of the In-stream Flow Program. Funds appropriated to this line item are transferred, through an Interagency Agreement, to the Colorado Water Conservation Board (CWCB) to support the in-stream flow program. Pursuant to

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Section 37-92-102(3) C.R.S., the CWCB uses the funds to acquire water for minimum stream flows or volumes for natural lakes to preserve the natural environment.

HB 08-1375, the FY 2008-09 Long Bill, appropriated \$296,027 for the In-stream Flow Program line item. There were no changes to the appropriation.

SB 09-259, the FY 2009-10 Long Bill, appropriated \$296,027 for the In-stream Flow Program line item. There were no changes to the appropriation.

HB10-1376, the FY 2010-11 Long Bill, appropriated \$296,027 for the In-stream Flow Program line item. There were no changes to the appropriation.

The FY 2011-12 base request of \$296,027 represents a continuation level of funding.

### **Habitat Partnership Program**

This line is composed solely of the Habitat Partnership Program. This line is continuously appropriated. Senate Bill 01-006 dedicated five percent of the net sales of big game hunting licenses used in geographic locations represented by a habitat partnership committee to the Habitat Partnership Program.

The Habitat Partnership Program, which is managed through 18 local Habitat Partnership Committees (plus one statewide committee), is designed to reduce wildlife conflicts, especially those related to forage and fencing issues. Local committees develop big game distribution management plans designed to minimize such wildlife conflicts. In this regard, the DOW funds fencing projects and performs various habitat improvement and wildlife impact mitigation projects designed to meet game management objectives and to keep big game off of private property. Pursuant to Section 33-1-112 (8)(e), C.R.S., there is an annual transfer of five percent of the net sales of big game hunting licenses used in geographic locations represented by a Habitat Partnership Committee.

HB 08-1375, the FY 2008-09 Long Bill, appropriated \$2,500,000 for the Habitat Partnership Program line item. There were no changes to the appropriation.

SB 09-259, the FY 2009-10 Long Bill, appropriated \$2,500,000 for the Habitat Partnership Program line item. There were no changes to the appropriation.

## Line Item Description - FY 2010-11 Budget Request

HB10-1376, the FY 2010-11 Long Bill, appropriated \$2,500,000 for the Habitat Partnership Program line item. There were no changes to the appropriation.

The FY 2011-12 base request of \$2,500,000 represents a continuation level of funding.

### **Indirect Cost Assessment**

This line is composed solely of the Indirect Cost Assessment. The amount collected from this line item is from the Wildlife Cash Fund established in Section 33-1-112 (1) (a), C.R.S. The appropriation is used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office.

HB 08-1375, the FY 2008-09 Long Bill, appropriated \$3,413,878 for the Indirect Cost Assessment line item. The FY 2008-09 appropriation to EDO provides additional General Fund to refinance indirect costs previously paid for with cash funds. This fund mix adjustment decreased is reflected in a negative base adjustment in FY 2008-09 of \$64,743.

SB 09-259, the FY 2009-10 Long Bill, appropriated \$3,281,465 for the Indirect Cost Assessment line item.

HB10-1376, the FY 2010-11 Long Bill, appropriated \$3,507,100 for the Indirect Cost Assessment line item. There were no changes to the appropriation.

The FY 2011-12 request is a continuation request of \$3,597,623 for the Indirect Cost Assessment line item.

### **Aquatic Nuisance Species Prohibition**

SB 08-226 established Aquatic Nuisance Species laws to prevent, control, contain, monitor, and eradicate aquatic nuisance species from state waters. This program is in response to the discovery of Zebra Mussels in Pueblo Reservoir. The bill establishes a program to mitigate and if possible prevent the introduction and spread of aquatic nuisance species which can have devastating economic, environmental, and social impacts on the aquatic resources and water infrastructure of the state.

## Line Item Description - FY 2010-11 Budget Request

In FY 2008-09 SB 09-226 appropriated \$1,250,000 from the Wildlife Cash Fund plus \$2,667,244 from the Operational Account of the Severance Tax Trust Fund (total of \$3,917,244) to the newly created Division of Wildlife Aquatic Nuisance Species Fund. The final FY 2008-09 appropriation was \$3,917,244.

SB 09-259, the FY 2009-10 Long Bill, appropriated \$1,304,544 for the Aquatic Nuisance Species line item. The FY 2009-10 request accounts for the annualization of (\$2,612,700) related to SB 08-226 “Aquatic Nuisance Species”.

HB10-1376, the FY 2010-11 Long Bill, appropriated \$1,304,544 for the Wildlife Aquatic Nuisance Species Prohibition line item. There were no changes to the appropriation.

The FY 11-12base request of \$1,304,544 represents a continuation level of funding.

*\*FY 2008-09 Note - The DOW uses “KRONOS” software to track where employees spend their time in order to allocate salaries across the DOW’s various programs. Included in the KRONOS coding is the appropriation code. At the end of the FY 2008-09 fiscal year an employee inadvertently used the code designated for this line for a total of .18 FTE and about \$13,541. However, this line item does not have an FTE appropriation. Since this transaction impacted at the end of the Fiscal Year, DOW was not able to correct this error.*

### **New Lines from FY 2010-11 Decision Items**

*This was an approved FY 2010-11 Decision Item to shift \$2,231,880 total funds (100% Cash Funds) from the Capital Construction and Controlled Maintenance Long Bill Group. The new long bill line items are “Grants and Habitat Partnerships” for \$1,625,000 and “Asset Maintenance and Repairs” for \$606,880. This increase in operating was offset by an equal amount in the Division’s capital construction budget request and therefore it will have a net zero impact to the Division’s overall spending authority. After an analysis of the type of projects funded out of a capital construction line item, DOW determined that there were a number of projects that were more operating in nature than capital. This Decision Item request is contingent upon a footnote for the two new operating appropriations that authorizes three year spending authority for each appropriation*

**Grants and Habitat Partnership**

The “Grants and Habitat Partnerships” line item contains projects related to: (1) grants for habitat improvement on private property under the Pheasant Habitat Partnership Program (PHIP); (2) small habitat improvement projects on State Wildlife Areas that cost less than \$50,000 each, and; (3) grants for improvements, repairs, and development of various wetlands and shooting ranges.

HB10-1376, the FY 2010-11 Long Bill, established an appropriation of \$1,625,000 for this line item. This amount originated from 6 pending habitat projects and grants that the DOW had budgeted under the Capital Construction Long Bill Group at the time the Decision Item request was made (see project list on page 9 of the FY 2010-11 Decision Item).

The FY 2011-12 base request of \$1,625,000 represents a continuation level of funding.

**Asset Maintenance and Repairs**

The purpose of this line item appropriation is to address projects that are for the most part under \$50,000, that are more maintenance in nature as defined under Section 24-75-112, C.R.S. (2009) and OSPB Budget Instructions. This new line was created to fund the Division of Wildlife’s (DOW) internal controlled maintenance program. Because the DOW is cash funded, the State Architect’s Controlled Maintenance program is not available to DOW facilities. Therefore, DOW developed its own controlled maintenance program starting in FY04-05 and implemented it in FY07-08. This program includes an assessment of DOW’s total facility inventory, condition, and risk to health, life and safety. Projects submitted for this funding are selected based on a condition assessment and risk group in a systematic statewide process. The overall goal of projects under the Asset Maintenance and Repairs line is to maintain the Division’s existing facilities to a “C” grade or better. Thus, most projects submitted for this funding received a “D” or “F” in their condition assessment. The program attempts to maintain existing assets in a consistent, systemic, and programmatic fashion.

HB10-1376, the FY 2010-11 Long Bill, established an appropriation of \$606,880 for this line item. This amount originates from 16 pending maintenance projects that the DOW currently has budgeted under the Capital Construction Long Bill Group (see project list on page 10 of the Decision Item).

The FY 2011-12 base request of \$606,880 represents a continuation level of funding.