

Line Item Descriptions

(1) 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.

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.

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.

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.

Date	AED
January 1, 2006	0.50%
January 1, 2007	1.00%
January 1, 2008	1.40%
January 1, 2009	1.80%
January 1, 2010	2.20%
January 1, 2011	2.60%
January 1, 2012	3.00%
January 1, 2013	3.40%
January 1, 2014	3.80%
January 1, 2015	4.20%
January 1, 2016	4.60%
January 1, 2017	5.00%

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.

Date	SAED
January 1, 2006	n/a
January 1, 2007	n/a
January 1, 2008	0.50%

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January 1, 2009	1.00%
January 1, 2010	1.50%
January 1, 2011	2.00%
January 1, 2012	2.50%
January 1, 2013	3.00%
January 1, 2014	3.50%
January 1, 2015	4.00%
January 1, 2016	4.50%
January 1, 2017	5.00%

SALARY SURVEY

The Salary Survey and Senior Executive Service appropriation reflects the amounts appropriated to the Department to cover the cost of salary increases based on the job and wage classification survey performed annually by the Department of Personnel and Administration.

MERIT PAY

While inflationary increases in the job market are theoretically captured in Salary Survey, Merit Pay is intended to reward employees for their performance and experience in a position. Actual merit awards will depend on an employee’s performance rating and quartile.

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.

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

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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.

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.

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.

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.

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.

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.

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 leases 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 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.

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.

LEASED SPACE

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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.

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 79,240 square feet of space at 1313 Sherman Street (Centennial Building). Square footage, by division, is shown in the table below.

Square Footage by Division	
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 & Wildlife	22,768
Colorado Water Conservation Board	5,178
Division of Water Resources	17,252
Total:	79,240

INTERGRATED RESOURCE SERVICES

The Department of Natural Resources deals with a diverse range of natural resource management issues and employs subject matter experts in a variety of scientific and technical fields. Despite this diversity, however, natural resource management often involves fundamentally inter-connected issues. Because of statutory restrictions, many DNR divisions do not currently have the authority to accept and expend gifts, grants, and donations. Therefore, assistance from one DNR agency to another must be absorbed within the assisting agency's base budget and the work must be done in addition to, or in place of, the assisting agency's existing work. Often, an agency is unable to simply absorb the request for assistance and the requesting agency is forced to contract with private vendors at a much higher cost. This potted allocation will be used to facilitate payments for services between DNR agencies. Created via decision item as part of the Department's FY 2012-13 budget request, this new line item is funded entirely with reappropriated funds and does not increase overall state spending. Funds requested for FY 2013-14 will remain unallocated in the DNR Executive Director's Office until such time as they are requested by a division. Once a division has identified a need, and the assisting agency has agreed that they have the resources to help and are willing to do so, the Executive Director's Office would then allocate the necessary spending authority to the assisting agency.

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. Local agencies also use this network. These networks operate through land-based, mobile, and microwave technology. The beneficiary of these services within the Department is the Division of Parks and Wildlife.

(2) DIVISION OF RECLAMATION, MINING, AND SAFETY

(A) COAL LAND RECLAMATION

Program Costs

The Coal Land Reclamation line, 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 following passage of the federal Surface Mining Control and Reclamation Act (SMCRA), Title V of 1977. It was at that time that a separate Long Bill line was created specifically for Coal regulation funding.

The funding ratio of the Coal Program is 79 percent federal funds and 21 percent state cash match, which is based on total permitted mine acres located on federally owned lands versus state lands in Colorado. The federal mine acreage calculation includes permitted areas within federally owned surface acreage and/or mineral sub-surface acreage.

The federal grant funds are from the U.S. Department of the Interior's Office of Surface Mining (hereafter referred to as OSM) and the cash funds are from the Operational Account of the Severance Tax Trust, which fulfills the required state match in order to receive the OSM grant. This OSM grant also funds the Blasters Certification appropriation (see (D) Mines Program) in the same federal funds/cash-severance tax ratio. OSM funding to the Inactive Mines line is also contingent on having a state-conducted coal regulation program.

History of Refinancing with Cash Funds/Severance Tax in the Coal Regulatory Program: From FY1997-98 through FY2007-08 (excluding FY2003-04) and projected, then reversed in FY2011-12, 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 avoid temporary staff layoffs, the General Assembly approved financing the shortfall with additional cash funds/severance tax in order to maintain the allowable state appropriation level. These additional cash funds were labeled as *Coal Support* lines from FY1997-98 through FY2004-05; then were combined on the *Program Costs* line starting in FY2005-06. Table A shows an example of how this shortfall financing is calculated, which includes the Blasters Certification appropriation totals. The program continues to face the challenge of proposed federal funds reductions (around 15 percent) at a time when severance tax revenues have constricted in recent years.

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During the 2011 federal grant cycle, the Office of Surface Mining approved 18 months of funding to Colorado for the purpose of shifting the grant cycle from a calendar year to align with the state fiscal year. This will significantly assist in aligning state funding decisions to known federal funding commitments which are usually finalized by December (March or April during continuing resolutions).

Indirect Cost Assessment

This appropriation, which funds the Department of Natural Resources Executive Director's Office (EDO) is set by the EDO budget staff based on personal services expenditures from the most recent "closed" fiscal year (FY2011-12 for FY2013-14 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 to vacancy savings or increased personal services expenses, the target federal indirect amount shown in the Long Bill could be either under or over collected. The cash indirect amount is fully collected.

(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.

- **Federal Funds**: The federal portion of the appropriation originated in 1984 after the state programs were established in 1980 [Section 34-33-133, C.R.S. (2012)] 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 Long Bill shows only the administrative portion of the federal grant funds, although it shows all FTE for the program. The cost of 7.0-11.0 FTE are charged to non-appropriated federal funds each fiscal year.

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Purpose: The OSM federal grant funds can only address sites that were mined prior to passage of SMCRA (referred to as “pre-law” sites) – mine sites 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 features. Since 1980, approximately 8,630 abandoned mine impacts have been addressed through this program. Coal mining impacts addressed with the funding include investigation of thirty-three coal mine fires and remediation of subsidence issues impacting residential housing built over historic coal mines. The OSM federal grant funds are not authorized for use to remedy post-mining environmental/water quality issues at the pre-1977 sites.

- Cash/Severance Tax Funds: The cash/severance tax portion of the Inactive Mines Program Costs line was initiated through state Senate Bill 05-190, which appropriated 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. A change request was approved in FY2009-10, which increased the annual spending authority on this line by \$20,000 to allow interest earned on the fund to also be spent in resolving additional mine openings/features each year.

Purpose: To enable the program to complete a greater number of abandoned mine safeguarding projects 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. (2012). Each annual appropriation is allowed to be spent over three consecutive fiscal years per a footnote to accommodate limited construction seasons at high-elevation and harsh weather sites.

Non-Appropriated Federal Funds: The non-appropriated portion of the OSM federal grant is appropriated for three fiscal years and directly funds reclamation/safeguarding projects and 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. Allowing the funds to be spent over three field seasons accommodates high elevation sites in historic mining areas for which the weather conditions cause limited access and 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 FY2008-09 through FY2014-15 and total nearly \$30 million above the base program funding of \$2.4 million annually. Change Request DI-18 in FY2008-09 increased the federal

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 change, the Inactive Mines Program Costs line currently shows a total of 16.4, 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 reverted each year from the Long Bill total.

Mine Site Reclamation

The Mine Site Reclamation line originated in FY2001-02 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; therefore, 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 FY2006-07 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 re-appropriated funds which is not utilized as originally intended (it implies state funds from the Colorado Dept of Public Health and Environment will be transferred to the Inactive Mines Program, but the CDPHE funds receive are actually federal pass-through funds for which the program has blanket statutory spending authority to accept). The line total fluctuates per personal services POTs appropriations or statewide vacancy savings adjustments.

Reclamation of Forfeited Mine Sites

The Reclamation of Forfeited Mine Sites appropriation originated in FY2007-08 to support inadequate bond amounts posted for “post-1977” mine sites where the mining permit was revoked due to operator failure (bankruptcy, death, etc.) and the bond amount was not enough 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. (2012). 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 FY2008-09, the initial appropriated amount of \$342,000 was extended for that amount to be appropriated in each of five fiscal years (FY2008-09 through FY2012-13), with each having a three-year spending cycle. The five year appropriation is documented in the FY2008-09 Figure Setting document. In FY2009-10, the funding amount was reduced to

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\$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.

Abandoned Mine Safety

The Abandoned Mine Safety appropriation originated in FY1995-96 from general funds derived from “gaming/casino” districts and targeted abandoned mine openings/land disturbances in those counties. In FY2001-02, 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, except for forfeited sites that were bonded after 1977. In FY2009-10, 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 line total fluctuates per personal services POTs appropriations or statewide vacancy savings adjustments

Indirect Cost Assessment

This appropriation, which funds the Department of Natural Resources Executive Director’s Office (EDO) is calculated by the EDO budget staff based on personal services expenditures from the most recently “closed” fiscal year (FY2011-12 for FY2013-14 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 or increased personal services expenses, the target federal indirect amount shown in the Long Bill could be either under or over collected. The cash indirect amount is fully collected.

(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. (2012) and in 1995 for construction materials (i.e., sand and gravel) mining--Section 34-32.5-102, C.R.S. (2012). The line supports 24.1 FTE and associated operating costs, as well as costs for the Mined Land Reclamation Board. The purpose of

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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.

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. (2012)]. The general fund was replaced by cash funds/severance tax in FY2002-03. 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 letter-note on the line.

Financing – Fee Revenue: The amount of fee revenue is approximately 48 percent of the Long Bill line (see letter notation) and allows the program to pace the use of fee revenue over a span of 5-7 years after a legislative fee increase. This is in lieu of tying fees to an inflationary index. 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 letter-note 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 FY2007-08 (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 of 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 0.2 FTE related to the rulemaking activities ended, leaving the current level of 24.1 FTE.

Indirect Cost Assessment

This appropriation, which funds the Department of Natural Resources Executive Director's Office (EDO) is calculated by the EDO budget staff based on personal services expenditures from the most recent "closed" fiscal year (FY2011-12 for FY2013-14 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.

(D) MINES PROGRAM

Colorado and Federal Mine Safety Program

The Colorado and Federal Mine Safety Program appropriation originated in 1976 and was specific to “Coal Mine Safety.” The current appropriation supports 5 FTE and associated operating costs and is charged with providing the following for all types of mines: (1) site-specific mine health and safety training and education to Colorado miners, upon request from the mines, and safety audits; (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. (2012) and in Code of Federal Regulations, Title 30, Parts 1-199 (2012).] The program receives annual federal funding from the U.S. Department of Labor, Mine Safety and Health Administration. Beginning with the FY2001-02 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 Fee Revenue: Fee collections have increased in the program; therefore, the amount applied to this appropriation was increased from \$6,000 to \$10,000 in FY2009-10. 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 FY2001-02 through approximately FY2007-08, the non-fees portion of the state appropriation level was financed first with available federal grant funds, including covering the federal indirect cost amount, and the remainder was covered with cash funds/severance tax. In recent years, the federal funds have been adequate to cover the state appropriation level; therefore, no additional cash funds were needed to maintain the full state funding level.

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. 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. One FTE is funded from this line and is comprised of a portion of the program manager position and of an administrative position. These positions work with members who serve on the Coal Mine Board of Examiners to ensure exams are prepared and conducted per federal standards.

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 (FY2009-10 for FY2011-12 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 program that are charged to federal grants. Due to vacancy savings or increased personal services expenses, the target federal indirect amount shown in the Long Bill could be either under or over collected. The cash indirect amount is fully collected.

(E) 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 FY2003-04. The line was reappropriated in FY2005-06 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.

(3) Colorado Geological Survey

ENVIRONMENTAL GEOLOGY & GEOLOGIC HAZARDS

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 our 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.

MINERAL RESOURCES AND MAPPING

The Mineral Resources and Mapping Program improves the sustainability and economy of Colorado. State agencies, private industry, local governments and others utilize CGS studies, maps, statistical data to responsibly explore and develop critical mineral and energy resources. Colorado's green industry, which is expected to generate \$61 billion in revenue and provide over 600,000 jobs by 2030, utilizes CGS maps and studies of both strategic and rare earth metals needed for wind and solar production. The state's economy and environment will benefit from CGS's leadership in the studies of CO₂ sequestration and geothermal power generation — cleaner and/or renewable energy.

COLORADO AVALANCHE INFORMATION CENTER

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.

INDIRECT COST ASSESSMENT

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

(4) OIL & GAS CONSERVATION COMMISSION (OGCC)

PROGRAM COSTS

The OGCC's Program Cost line funds the OGCC's personnel and operating expenses, including 76.0 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 49,000 active and 50,000 inactive wells, and general administration.

UNDERGROUND INJECTION CONTROL PROGRAM

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 slightly from year to year, due to fluctuations in the federal budget.

PLUGGING AND RECLAIMING ABANDONED WELLS

This funding is used by the OGCC to plug and abandon orphaned well sites.

ENVIRONMENTAL ASSISTANCE AND COMPLAINT RESOLUTION

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.

EMERGENCY RESPONSE

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 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.

SPECIAL ENVIRONMENTAL PROTECTION AND MITIGATION STUDIES

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.

INDIRECT COST ASSESSMENT

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

(5) State Board of Land Commissioners (SLB)

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. Of special note, in the FY 2005-06 appropriation, the JBC consolidated the State Land Board's budget into two line items one of which was the Program Costs line item. 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.

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.

ASSET MANAGEMENT SYSTEM UPGRADE

This line item was created via decision item as part of the Department's FY 2012-13 budget request. This is a two-year request to fund replacement and upgrade of the State Land Board's existing inefficient and inadequate asset management system. This line item will be eliminated after expiration of the second half of funding which is anticipated in FY 2013-14.

INDIRECT COST ASSESSMENT

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

(6) Division of Parks and Wildlife

STATE PARKS: 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.

Please note that this line item was modified via Decision Item (as part of the Department’s overall FY 2012-13 budget request) to incorporate previously existing line items related to Great Outdoors Colorado (GOCO) funding. This consolidation allowed State Parks to better reflect how the GOCO dollars are spent to help operate the state park system. GOCO funding is used as a vital funding component to keep the state park system running. The division’s total operational appropriation was unchanged by this request.

STATE PARKS: 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 2010-11 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.

STATE PARKS: 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 significant component of OHV program is enforcement per C.R.S. 33-14.5-111(1), which reads in part "Every parks and recreation officer, every peace officer of this state and its political subdivisions, and every person commissioned by the division has the authority to enforce the provisions of this article." The appropriation for this line is used for administrative costs of having Off-Highway Vehicle program (C.R.S. 33-14.5-106(1)).

STATE PARKS: 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. The appropriation for this line is used exclusively for direct services and not administrative costs (C.R.S. 33-14.5-106(1)).

STATE PARKS: FEDERAL GRANTS

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

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.

STATE PARKS: INFORMATION TECHNOLOGY

This line item was created via Decision Item as part of the Department’s FY 2012-13 budget request. Previous to this, Colorado State Parks’ IT expenditures were funded with three separate Long Bill line items: System Operations and Support, Connectivity at State Parks, and Asset Management. All three lines were cash funded by the 10% of net lottery proceeds distributed directly to State Parks. Further, these three appropriations were shown “for informational purposes only”. The Division consolidated these three IT lines into one “Information Technology” line in order to enhance budgetary efficiencies and flexibility.

STATE PARKS: 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.

STATE PARKS: 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. (2010) 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.

STATE PARKS: TRAIL 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

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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.

STATE PARKS: 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.

STATE PARKS: 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.

WILDLIFE: DIRECTOR'S OFFICE

This line item, the first of four lines under the Long Bill Group titled “Division Operations”, is appropriated based on prioritization of work related to the functions of the Director’s Office, the Planning Budgeting and Evaluation section, and Parks and Wildlife Commission operations. Specific duties within the Division’s Office include Division supervision and management, program and financial oversight, grant management, and intermediary activities necessary to encourage the success of the Division’s Strategic Plan.

The Division of Parks and Wildlife (DPW) utilizes a three-step, modified zero-based approach to prioritize its internal and external budget requests. This three-step process follows the DPW’s hierarchical chain of command, with final budget set by the Director and senior staff.

WILDLIFE: WILDLIFE MANAGEMENT

This line item is appropriated based on a prioritization of work related to all wildlife functions within the DPW, excluding the Director’s Office, Technical Services, and the Information Technology line items. Wildlife Management activities include managing hunting/fishing opportunities within Colorado; maintaining healthy wildlife populations and ecosystems; preserving/enhancing Colorado’s wildlife habitat; and heightening public awareness of DPW’s wildlife management role and efforts through educational and outreach programs. Programs that support these main activities include customer service, wildlife conservation, research, aquatic

conservation, law enforcement, as well as DPW's regional activities (such as energy extraction impacts on wildlife habitats). This list is not all inclusive due to the volume of budgeted functions within this line item. The DPW utilizes a three-step modified zero-based approach to prioritize its internal budget which is ultimately used to develop its external budget request. This three-step process is used to identify the highest priority work to be funded.

WILDLIFE: TECHNICAL SERVICES

This line item is appropriated based on the prioritization of work for administrative functions that provide support services to all field operations. Services include central licensing, engineering, accounting, purchasing, contracts, human resources, and education and training of new wildlife officers. As with other line items mentioned above, the DPW utilizes a three-step approach to its internal budget prioritization prior to submitting its Budget Request.

WILDLIFE: INFORMATION TECHNOLOGY

This line is composed solely of the Division's information technology activities that are performed by the Governor's Office of Information Technology. This Line Item supports IT systems and services necessary for core DPW 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. The Information Technology section also funds the development of strategies that protect, leverage, and best utilizes the division's technology resources serving over 600 divisional computer users.

WILDLIFE: WILDLIFE COMMISSION DISCRETIONARY FUND

This line, the first of eight lines under the "Special Purpose" heading in the Long Bill, is the Wildlife Commission Discretionary Fund. This appropriation is used by the Parks and Wildlife Commission to provide funds to the DPW to enhance wildlife and wildlife management. The DPW must apply to the Commission for this money and may work in cooperation with other agencies to complete the proposed projects. Projects funded 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 DPW's budgeting software system, partial funding for research on declining mule deer populations in Colorado, a study on limited licensing, 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, aquatic research equipment, and deer and elk emergency winter feedings..

WILDLIFE: GAME DAMAGE CLAIMS AND PREVENTION

This line is composed solely of the Game Damage Claims and Prevention program. This appropriation represents spending authority for costs associated with game damage claims against the DPW as well as buying game damage prevention materials. It is not possible to accurately predict annual 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.

WILDLIFE: IN-STREAM FLOW PROGRAM

Funds appropriated to this line item are transferred, through an Interagency Agreement, to the Colorado Water Conservation Board (CWCB). Pursuant to Section 37-92-102(3) C.R.S., the CWCB uses the funding to secure stream flows and lake volumes sufficient to maintain native aquatic wildlife populations within Colorado.

WILDLIFE: HABITAT PARTNERSHIP PROGRAM

This line is composed solely of the Habitat Partnership Program which 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 fund the Habitat Partnership Program.

The Habitat Partnership Program is managed through 18 local Habitat Partnership Committees (plus one statewide committee), and 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. The Division 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.

WILDLIFE: AQUATIC NUISANCE SPECIES

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 in Colorado.

WILDLIFE: GRANTS AND HABITAT PARTNERSHIPS

The “Grants and Habitat Partnerships” line item contains funding to support three programs: (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. Appropriations under this line item are authorized for three consecutive years as the use of these funds is for projects that are capital in nature. The 3 year spending authority can be found in footnote section of the Divisions long bill.

WILDLIFE: ASSET MAINTENANCE AND REPAIRS

The purpose of this line item appropriation is to address projects that are for the most part under \$50,000, and 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 Wildlife’s internal controlled maintenance program. Because the DPW is cash funded, the State Architect’s Controlled Maintenance program is not available to DPW facilities. Therefore, DPW developed its own controlled maintenance program and implemented it in FY07-08. This program includes an assessment of DPW’s total facility inventory, condition, and risk to health, life and safety. Projects submitted for funding are selected based on a statewide condition assessment and risk 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. Appropriations under this line item are authorized for three consecutive years as the use is for projects capital in nature. The 3 year spending authority can be found in footnote section of the Divisions long bill.

WILDLIFE: 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 of General Fund for overhead expenses appropriated in the Executive Director's Office.

(7) COLORADO WATER CONSERVATION BOARD

(A) ADMINISTRATION

PERSONAL SERVICES

The Colorado Water Conservation Board (CWCB) was created in 1937 with a mission to conserve, develop, protect, and manage Colorado's water for present and future generations. CRS 37-60-104 (1) defines the requirement of the 15-member Board of Directors and CRS 37-60-106 describes the duties of those board members. CRS 37-60-111 (1) defines the role of the CWCB Director, who is the chief administrative head of the Board, under the supervision and direction of the Board, and who has supervision of the CWCB's activities and employees. CRS 37-60-111 (3) establishes that the Board employ staff that are technical, clerical, and any other personnel who can enable the Board to perform duties and carry out the mission of the CWCB.

While the number of staff members has grown over the years since 1937, the Legislature has approved all increases for the number of personnel who work for the CWCB and the appropriation for this line item. Governed by a 15-member Board, the CWCB's responsibilities range from protecting Colorado's streams and lakes to water conservation, flood mitigation, watershed protection, stream restoration, drought planning, water supply planning and water project financing. The CWCB also works to protect the state's water apportionments in collaboration with other western states and federal agencies.

OPERATING EXPENSES

The Operating Expenses line item is mandated by Article 60 of the Colorado Revised Statutes. This line item was a standalone line item until FY 2011-12 when it was combined with the Interstate Compacts and the Western States Water Council Dues line items per

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Decision Item #5 (Increased Dues). Funding from the former 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. Since the line items were combined, the CWCB uses the Operating Expenses line item to continue these efforts along with paying for day to day operating expenditures.

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:

- 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

(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.

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, in 2006, the CWCB requested a name change of the program and line item to

Intrastate Water Management and Development, 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. The Intrastate Water Management and Development Section receives and processes all applications for approval by the CWCB Board members.

FEDERAL EMERGENCY MANAGEMENT ASSISTANCE

This is a federally funded program that provides flood plain mapping and information about flood prevention. In FY 2005-06, via the Decision Item process, the CWCB received an increase of \$99,248 for additional moneys for flood plain mapping and flood prevention services.

The FTE for the Map Modernization Program functions as Colorado's Map Modernization Coordinator. The FTE serves the State for the execution of the program management and related mapping needs. The Colorado Map Modernization Coordinator handles day-to-day issues, and coordinates and provides valuable input to FEMA and the overall mapping process in addition to serving the needs of Colorado communities to ensure high quality mapping products. The Map Modernization Coordinator is the main point of contact for the State for all map modernization related activities in Colorado.

The FTE for the Community Assistance Program serves as the State Coordinator for the National Flood Insurance Program (NFIP) and has numerous responsibilities related to NFIP performance measurement, community assistance visits, ordinance assistance, community information system, floodplain mitigation strategies, education and outreach, technical assistance, Community Rating System (CRS) support, mapping coordination assistance, intra- and inter-state coordination, and other related activities. The position also serves as the State Hazard Mitigation Officer in the event of a federally declared flood disasters, and has a primary responsibility as the CWCB representative within Disaster Field Offices when they become active.

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.

WATER CONSERVATION PROGRAM

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

In 2004, the General Assembly passed HB 1365, which enhances the elements that must be considered by a covered entity when creating a water conservation plan amended the Water Conservation Act of 1991. This provision established water savings goals and provided a better indication to the overall effectiveness of the entities water conservation plan. In addition, the CWCB began to participate in drought mitigation planning and created a new grant mechanism from the severance tax operational account to allow water entities to apply for grants to assist them with water conservation and drought planning activities. On July 1, 2005, the CWCB began to accept applications under HB 04-1365 for water conservation planning grants to provide financial assistance to covered entities.

In 2005, the General Assembly adopted House Bill 1254 that created the Water Efficiency Grant Program Cash Fund, which is administered by the Colorado Water Conservation Board and this Program.

Other activities for the Program include:

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- Researching drought analysis and planning techniques, surveying water users to determine the extent of drought planning, compiling drought histories for each river basin, developing drought response options, conducting conferences on drought, and drought fact sheets and planning documents.
- Chairing or attending meetings of the Water Availability Task Force.
- Providing technical and financial assistance to covered entities and other water providers.
- Reviewing water conservation and drought mitigation plans to determine if they meet statutory requirements.
- Administration of grant programmed designed to increase the quality and quantity of drought and conservation planning at the local level.
- Continuation of active demonstration projects, review project progress, analysis and documentation of benefits from projects activities.

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.

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

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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%
- 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 CWCB Board and the DNR Executive Director for review and approval. Then, they are included in the DNR's annual budget request.

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.

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.

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.

INDIRECT COST ASSESSMENT

The Indirect Cost Assessment supports activities in the DNR Executive Director's Office.

(8) DIVISION OF WATER RESOURCES

PERSONAL SERVICES

This Division, also called the Office of the State Engineer, has historically been funded primarily from the General Fund. Major DWR programs funded by the Personal Services line include water administration, dam safety, and well inspection. The Personal Services line was created to pay for the salaries of full-time and part-time staff to perform the following functions (the balance of the line is for contracted work):

- 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 construction, inspections, and operations, as well as 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 intrastate water rights, interstate compacts and federal decrees.

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- Collection, preservation, and provision of historic water records and information.

The appropriation for the Personal Services line has decreased over the past several fiscal years, due to: a reallocation of funds to pay for OIT for administration expenses and staff consolidation, reductions to compensate for General Fund shortfalls and furloughs, Supplemental Bill HB 10-1309 to reduce FTE, and PERA adjustments.

OPERATING EXPENSES

The Operating Expenses line item was created to provide operating support for all Division of Water Resources employees across all major programs in the Personal Services line item (water administration, dam safety, and well inspection). It is largely supported with General Fund, but also contains cash funds from the Water Administration fund. The appropriation for the Operating Expenses line has decreased over the past several fiscal years due to General Fund and cash fund shortfalls.

INTERSTATE COMPACTS

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 compacts. The Interstate Compact line item supports the DWR water administration program, including covering 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.

REPUBLICAN RIVER COMPACT COMPLIANCE

The Republican River Compact Compliance line item was created to fund the salary expenses of 5.0 FTE and some operating expenses for work on the Republican River Compact in order to address Colorado's obligations under the Republican River Compact and the Final Settlement Stipulation approved by the United States Supreme Court in *Kansas v. Nebraska and Colorado*, No. 126 Original. The Final Settlement Stipulation requires Colorado to perform numerous tasks to address compliance with the Republican River Compact and the Supreme Court decision. The major DWR program funded by the Republican River Compact Compliance line is water administration.

SATELLITE MONITORING SYSTEM

The Satellite Monitoring System line item was created to support satellite-linked water resource monitoring stations throughout the state and is essential to daily water administration, the early flood warning system, low flow warning system, and administration of water rights, and interstate compacts. The major DWR program funded by the Satellite Monitoring System line is water administration; it provides "real-time" stream flow information that is used by the Division of Water Resources for water administration, water users such as agricultural and municipal users, non-consumptive water users like the Colorado Water Conservation Board for instream flow purposes, and other interested persons such as rafters and anglers. Approximately 51 percent of the Satellite-Linked Monitoring System appropriation is used for Personal Services, including wages for an electronics technician and a satellite monitoring system coordinator. 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. Some cash revenue is generated through voluntary fees from conservancy districts, water users, user associations, and municipalities, pursuant to section 37-80-111.5, C.R.S.

AUGMENTATION OF WATER FOR SAND AND GRAVEL EXTRACTION

The Augmentation of Water for Sand and Gravel Extraction line item was created to support 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. Sand and gravel pit owners (applicants) must submit substitute water supply plans. By statute, these plans must be reviewed by the Division of Water Resources. 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 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 permit.

DAM EMERGENCY REPAIR

Pursuant to section 37-87-108.5, C.R.S, 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 major DWR program funded by the Emergency Dam Repair line is Dam Safety.

FEDERAL GRANT

The Federal Grant line item was created to accept grants from outside entities. Part of the funding is from the Federal Emergency Management Agency (FEMA) to support the Division of Water Resources' Dam Safety program; the funding also includes small sums from the U.S. Bureau of Reclamation to 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 Hydrography Dataset Stewardship Project. That grant was expended and a new grant in the same amount was approved by the USGS to continue the work.

RIVER DECISION SUPPORT SYSTEM

The Colorado's Decision Support Systems (CDSS) provide factual information on which to make informed decisions concerning the management of Colorado water. The CDSS represents a statewide decision support system for the Colorado, Rio Grande, South Platte, and Arkansas River Basins. 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 geographic information systems. The CDSS has provided significant benefits to the State of Colorado and her citizens, including water users in agriculture, industry, recreation, and the conservation community. 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 Resource Planning, including development and use of a water resource-planning model (new projects, water exchanges, operating plans) and evaluation of impacts of instream flow appropriations (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 (alternative strategies of administration which will enable the maximum use of available resource).

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. The major DWR program funded by the River Decision Support System line item is water administration.

H.B. 03-1334 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. The major DWR program funded by this line item is water administration. In **FY 2005-06**, the funding associated with this 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. In FY 2011-12 this fund was consolidated into a new cash fund – Water Administration.

S.B. 04-225 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 to regulate ground water. The major DWR program funded by this line item is water administration.

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.

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). The fund is used for data collection platform replacement and upgrades, streamgage/cableway refurbishment, field satellite telemetry equipment maintenance. The major DWR program funded by this line is water administration.