

Schedule 13
Funding Request for the 2013-14 Budget Cycle

Department: Natural Resources - Colorado Parks & Wildlife
Request Title: Merger Cost Savings and FTE Reduction
Priority Number: R-8

Dept. Approval by: *Will H. Lew* 10/18/2012
 Date
OSPB Approval by: *Grant M. Sub...* 10/23/12
 Date

- Decision Item FY 2013-14
- Base Reduction Item FY 2013-14
- Supplemental FY 2012-13
- Budget Amendment FY 2013-14

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	6
Fund		Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
Total of All Line Items	Total	130,578,375	-	131,129,715	-	-
	FTE	909.5	-	909.5	(20.0)	(20.0)
	GF	-	-	-	-	-
	CF	117,697,681	-	118,213,349	-	-
	RF	-	-	-	-	-
	FF	12,880,694	-	12,916,366	-	-
(6) DIVISION OF PARKS AND WILDLIFE - division subtotal	Total	130,578,375	-	131,129,715	-	-
	FTE	909.5	-	909.5	(20.0)	(20.0)
	GF	-	-	-	-	-
	CF	117,697,681	-	118,213,349	-	-
	RF	-	-	-	-	-
	FF	12,880,694	-	12,916,366	-	-

Letternote Text Revision Required? Yes: No: **If yes, describe the Letternote Text Revision:**

Cash or Federal Fund Name and COFRS Fund Number: #172 Parks Cash Fund and #410 Wildlife Cash Fund

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: No: **Not Required:**

Schedule 13s from Affected Departments: N/A

Other Information: This decision item is a placeholder to reflect that Colorado Parks and Wildlife anticipates reducing its requested FTE for FY 2013-14 by at least 20.0 FTE. The reduction will be made possible through efficiencies achieved as part of merging the former Division of Parks and Outdoor Recreation with the Division of Wildlife pursuant to S.B. 11-208. At this point in time, the total number of FTE to be eliminated, the total associated reduction in spending authority, and the exact line items impacted are still being analyzed. The details are expected to be finalized as part of the first annual status report on merger implementation and estimated cost savings, as required under Section 33-9-101 (11), C.R.S. This report is expected to be issued by December 31, 2012, at which time this request will be updated with final figures and line item details.



DEPARTMENT OF NATURAL RESOURCES

John W. Hickenlooper
Governor

*FY 2013-14 Base Reduction
November 1, 2012*

Mike King
Executive Director

11-1-2012

Signature

Date

**Department Priority: R-8
Merger Cost Savings and FTE Reduction**

Summary of Incremental Funding Change for FY 2013-14	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Colorado Parks and Wildlife	TBD	\$0	TBD	TBD	20.0

Request Summary:

This request is to reduce various Colorado Parks & Wildlife (CPW) appropriations. The exact amount of the reduction and number of FTE is still being determined, but will be provided in January, 2013 as part of the annual report to the General Assembly identifying opportunities for efficiencies, disposition of assets, and cost savings per H.B. 12-1317. The Division anticipates a reduction of at least 20.0 FTE and \$1,000,000 to \$2,000,000.

Problem or Opportunity:

This request reflects the opportunity to reduce the number of full time equivalents in the Division of Parks and Wildlife, as well as associated payroll and operating costs, to reflect efficiency savings from the merger of the former Division of Wildlife and Colorado State Parks.

Brief Background:

On June 6, 2011, Governor Hickenlooper signed into law Senate Bill 11-208 which merged two DNR divisions, the Division of Parks and Outdoor Recreation and the Division of Wildlife, into the Division of Parks and Wildlife. Since

then, a great deal of work has been undertaken to plan and implement the merger. The primary goal of the merger is to create more efficient and effective services through economies of scale and use of shared resources.

The proposed cost savings and FTE reduction will result from the Division's focus on implementing three primary objectives:

- 1) Eliminating unnecessary duplication, including consolidation of work units performing similar functions with duplicate supervisory/managerial positions. Some examples include division administration, region management, training, engineering, budget and accounting, law enforcement, and public information & education;
- 2) Identifying the means to achieve the greatest possible efficiencies in the delivery of products and services, including leveraging of existing knowledge and expertise across a broader range of activities, consolidating databases, standardizing and streamlining administrative processes, and;

- 3) Identifying strategies to enhance the effectiveness of programs and operations while fulfilling the new joint mission, including enhancing customer service.

The Division established 10 individual employee Work Groups that aligned with major, shared “core” functions including Biologist/Scientists, Capital Development, Customer Service, Field Operations, Financial Services, Invasive Species, Property Evaluation, Public Information/Branding/Marketing, Volunteers/Education/Interpretation, and Water/Real Estate. These work groups developed reports that were used by the Transition Team, along with employee and stakeholder input, to create a comprehensive transition plan. The Division’s transition plan was approved by the Parks and Wildlife Commission in February, 2012. Since the Commission’s approval, the Division’s Leadership Team has worked to implement the merger by establishing Guiding Principles and Roles and Responsibilities documents as well as a desired future organizational structure. The work of the Leadership Team to implement the merger is ongoing and will ultimately result in the identification of cost savings for this base reduction request.

During the 2012 legislative session, H.B. 12-1317 was signed into law. The bill replaces the Parks and Wildlife Board in the Department of Natural Resources with the Parks and Wildlife Commission. The Commission is comprised of 11 voting members to be appointed by the Governor and two non-voting ex officio members — the Executive Director of the Department of Natural Resources and the Commissioner of the Department of Agriculture. The bill specifies that the appointed members must represent various geographical regions in the state and certain areas of interest or knowledge. Initial term lengths are staggered to reduce the impact to the board that results from member turnover. The Commission is authorized to meet as often as necessary, but at least two meetings per calendar year must be conducted west of the Continental Divide. The

Commission must also submit a five-year strategic plan by December 31, 2012. For every year that is included in the strategic plan, the Commission is required to submit an annual report to the House Agriculture, Livestock, and Natural Resources Committee and the Senate Agriculture, Natural Resources, and Energy Committee. Further, the Commission must also report annually to both the House and Senate Agriculture, Livestock, and Natural Resources Committees regarding the administration of the division, including an evaluation of division resources, a report on resource utilization, and the identification of opportunities for efficiencies. The report must summarize stakeholder outreach conducted during the prior year and must also identify disposition of assets and cost savings, both planned and realized, since the previous year, including savings pertaining to personnel, equipment, services, and provisioning.

Proposed Solution:

The proposed solution is to reduce the number of FTE and funds appropriated to Colorado Parks and Wildlife based on the implementation of strategies identified through the work groups, transition team, and leadership team to meet the objectives of the merger. The proposed cost savings and FTE reduction will not result in any employee being laid off. The Division will achieve the savings through employee attrition.

This decision item is, in essence, a placeholder to denote that the Division anticipates that its budget will be able to be reduced by 20.0 or more FTE and associated funding in FY 2013-14. The exact amount of FTE and budgetary savings will be detailed in the December 31, 2012 report required under H.B. 12-1317.

Alternatives:

Given that the exact savings associated with the merger are not identified at this time, it would be reasonable to ask why the Department didn’t simply wait until the December 31, 2012 report was ready before submitting a change request. While a “wait until later” alternative was considered, the Department felt that submitting an

informational placeholder was the preferred alternative. As the Department discusses its FY 2013-14 budget request with the General Assembly as part of the Joint Budget Committee's staff briefing and department hearing process (likely in November or December of 2012), this coming reduction should be noted when considering the Department's overall budget request. Further, we believe that this placeholder affirms the Department's commitment to identify efficiencies and, where possible, reflect budgetary savings in the Long Bill.

Anticipated Outcomes:

Reduced overall cost to deliver Parks and Wildlife services to the citizens of Colorado and fulfill the objectives of S.B. 11-208.

Assumptions for Calculations:

The calculations are high-level estimates at this time. Assumptions and calculations will be provided with the January 2013 report and will comply with Office of State Planning and Budgeting (OSPB) budget instructions.

Consequences if not Funded:

Not applicable – no funding is being requested.

Impact to Other State Government Agency:

Not applicable

Cash Fund Projections:

Not applicable

Relation to Performance Measures:

This request will implement the cost savings and FTE reductions of the merger. This request will not directly impact any of CPW's performance measures in a way that can be quantified. However, the efficiencies achieved in the merger will be essential to maintaining performance levels even as General Fund support of State Parks has been eliminated and cash revenues supporting wildlife programs has declined.

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

Not applicable

Current Statutory Authority or Needed Statutory Change:

The Division of Colorado Parks and Wildlife is authorized in C.R.S. Title 33 Parks and Wildlife. No statutory changes are needed to implement this funding request.