

## Schedule 13 Funding Request for the 2013-14 Budget Cycle

Department: Natural Resources - Colorado Parks and Wildlife  
 Request Title: Wildlife Management Refinance  
 Priority Number: R-9

Dept. Approval by: Will: H. Leem 10/18/2012  
 Date  
 OSPB Approval by: Greg M. [Signature] 10/23/12  
 Date

- |                                                              |
|--------------------------------------------------------------|
| <input checked="" type="checkbox"/> Decision Item FY 2013-14 |
| <input type="checkbox"/> Base Reduction Item FY 2013-14      |
| <input type="checkbox"/> Supplemental FY 2012-13             |
| <input type="checkbox"/> 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
<b>Total of All Line Items</b>	<b>Total</b>	74,366,157	-	74,348,016	5,626,760	5,626,760
	FTE	631.4	-	631.4	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	64,155,602	-	64,137,461	(3,000,000)	(3,000,000)
	RF	-	-	-	-	-
	FF	10,210,555	-	10,210,555	8,626,760	8,626,760
<b>(B) Wildlife, (1) Division Operations</b>	<b>Total</b>	74,366,157	-	74,348,016	5,626,760	5,626,760
	FTE	631.4	-	631.4	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	64,155,602	-	64,137,461	(3,000,000)	(3,000,000)
	RF	-	-	-	-	-
	FF	10,210,555	-	10,210,555	8,626,760	8,626,760

Letternote Text Revision Required? Yes:  No:  If yes, describe the Letternote Text Revision:  
 The FY2013-14 letternote "a" will need to be revised to reflect a reduction of \$3,000,000 to the Wildlife Cash Fund amount.  
 Cash or Federal Fund Name and COFRS Fund Number: 410 - Wildlife Cash Fund  
 Reappropriated Funds Source, by Department and Line Item Name: N/A  
 Approval by OIT? Yes:  No:  Not Required:   
 Schedule 13s from Affected Departments: N/A  
 Other Information: N/A



# DEPARTMENT OF NATURAL RESOURCES

John W. Hickenlooper  
Governor

*FY 2013-14 Funding Request  
November 1, 2012*

Mike King  
Executive Director

11-1-2012

Signature

Date

**Department Priority: R-9**  
**Division of Parks and Wildlife: Wildlife Management Refinance**

Summary of Incremental Funding Change for FY 2013-14	Total Funds	Cash Funds	Federal Funds
Wildlife Division Operations Appropriation Refinance	\$5,626,760	(\$3,000,000)	\$ 8,626,760

### Request Summary:

This request is a technical spending authority adjustment, for transparency purposes, to increase the Division of Parks and Wildlife (CPW) Division Operations Long Bill group appropriation by a total of roughly \$5.6 million. This request will more accurately align the Long Bill appropriation to the Division's current spending and financing structure. The federal funds amount in the Long Bill has not been significantly adjusted in over 10 years and does not reflect changes to the Divisions financing structure that have occurred. While this request will increase the Long Bill appropriation, it will not result in an increase in spending by the Division. The reduced cash fund spending reflected in this request better reflects the current level of cash spending and is an important step toward achieving a healthy, sustainable, and appropriately sufficient cash balance in the Wildlife Cash Fund.

### Problem or Opportunity:

Over recent years, the financing of programs funded under the Wildlife Division Operations Long Bill group has increasingly diverged from

the appropriated amounts in the Long Bill for the following reasons:

- 1) The Division has seen a significant increase in federal grant funds over the appropriated amount;
- 2) The Division has utilized the additional federal funds to leverage cash funds to support wildlife programs that were previously financed purely with cash funds, and;
- 3) The Division has reduced cash-funded expenditures in response to declining cash revenues.

Cumulatively, these changes have resulted in the need to adjust the base appropriation to reflect the estimated state spending and financing of the programs. Without changing the actual amount of money spent on the programs, it is the intent of this funding request to more transparently reflect the financing of the programs through the appropriation.

### Brief Background:

The majority of Wildlife programs are funded with a combination of Wildlife Cash, federal funds, and Great Outdoors Colorado (GOCO) funds. The largest share of Wildlife revenue is

derived from the sale of hunting and fishing licenses. CPW also receives annual apportionments of the federal excise taxes paid by hunters and anglers on firearms, ammunition, fishing equipment and motor boat fuels through the Pittman-Robertson (PR) Wildlife Restoration Act (1937) and the Dingell-Johnson (DJ) Sportfish Restoration Act (1950). The Division also receives a small allocation of federal funding through the annual State Wildlife Grants program. Lastly, CPW wildlife programs receive approximately one-fourth of the lottery proceeds allocated to the Great Outdoors Colorado program. The majority of these funds are available to the Division for more than one year.

The amount of federal funds (PR and DJ) that the Division has received through federal apportionments has increased. Over the past 11 years the Colorado apportionment has ranged from as low as \$9.5 million in FFY 2000 to a high of \$23 million in FFY 2010. The federal funds must be obligated within two years from the date of the apportionment or the funds will revert to the federal government. However, no permanent adjustment to the Long Bill spending authority has been made to reflect these increases.

Each fiscal year, as the Division receives federal and cash grants, the State Controller adjusts the Division's spending authority to reflect the receipt of these funds as needed after the appropriations have been set in the Long Bill. Generally, the grant funds are available for multiple years or do not expire and expenditures occur over the course of several state fiscal years depending on the approved grant expiration date. This often results in excess spending authority at the end of any fiscal year when grant funds are received but not fully expended. Generally, the available balance of the grant spending authority is rolled to the next state fiscal year to allow the grant program to continue until the grant expiration date. As a result, the final spending authority reported in the Division's budget request schedules has exceeded actual expenditures in FY2009-10 and FY2010-11 and has shown corresponding reversions of cash and

federal spending authority. While the amounts show as a reversion in that year, they are actually funds that will ultimately be spent in future years.

In addition to the changes in federal revenue, cash spending has also diverged from the amounts shown in the Long Bill appropriation. In FY2009-10, the Division (with approval of the Parks and Wildlife Commission) reduced cash spending in response to both declining cash revenues and increased federal funding. Federal funds were used to leverage cash funds to finance some programs within the Division Operations Long Bill group that were previously funded with cash sources. This refinancing was possible due to the increase in federal fund apportionments. However, the increase in federal funds appropriated and corresponding decrease in cash funds appropriated in the Long Bill has not changed to reflect this. Further, some cash-funded expenditures for personal services and operating were eliminated. The Division believes that the increase in federal apportionments will continue for some time into the future and that a corresponding increase to the Long Bill appropriation is appropriate.

Note: The Wildlife Division Operations Long Bill group will also be impacted by a separate funding request to reduce various CPW appropriations as a result of the merger of Colorado State Parks and the Division of Wildlife. 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 as required pursuant to H.B.12-1317. CPW anticipates a reduction of at least 20.0 FTE and a reduction of \$1,000,000 to \$2,000,000 in spending authority. The two funding requests will need to be reconciled prior to setting the appropriations in the Long Bill to ensure that reductions are not duplicated.

**Proposed Solution:** The proposed solution is to adjust the Long Bill appropriation and financing for the Division Operations Long Bill group to

better align with the Division's financing and expenditures. From a technical perspective, the requested financing adjustment is not needed as the State Controller is authorized to increase the wildlife programs spending authority as grants are received. As such, this decision item will not help CPW to better perform or better meet its primary objectives. However, this funding request is submitted with the intent of having the CPW's budget request and Long Bill appropriation more accurately reflect the true financing of the programs.

**Alternatives:**

The Division Operations Long Bill group could not be adjusted and the Division would continue to request adjustments to the cash and federal spending authority through the State Controller as needed during the fiscal year. This alternative would not have any programmatic impacts. However, the transparency issues with the current Long Bill would remain.

**Anticipated Outcomes:**

The Division Operations Long Bill group will more accurately reflect the current financing of the Division.

**Assumptions for Calculations:**

The federal funds for the Division Operations Long Bill group amount is requested to match the most recent federal fiscal year apportionment of \$18,702,470 as shown below.

**Federal Apportionments**

FFY	TOTAL FA
2008	\$ 17,206,662
2009	\$ 18,105,248
2010	\$ 23,026,861
2011	\$ 19,775,201
<b>2012</b>	<b>\$ 18,702,470</b>
<b>FY 13-14 Federal Funds (Base Request)</b>	<b>\$10,075,710</b>
<b>Funding Request Increase</b>	<b>\$ 8,626,760</b>

The decrease to the cash funds is based on the estimated cash-funded savings from the reductions made by the Division and listed below:

Personal Services:	(\$1,000,000)
Operating Reduction:	(\$ 500,000)
Subtotal Reductions:	(\$1,500,000)
Refinance of cash programs to federal funds:	(\$1,500,000)
Grand Total Cash Reduction:	(\$3,000,000)
FY 13-14 Cash Funds Base Request:	\$54,175,386
<b>Revised Cash Funds Request:</b>	<b>\$51,175,386</b>

**Consequences if not Funded:**

If this change request is not funded, the spending authority in the Division Operations Long Bill group will not align with the Division's programmatic expenditures by fund source (cash and federal). Stakeholders, including members of the general public, General Assembly, and other wildlife and parks agencies, who may look to the Long Bill for information about the budget of CPW, will not have accurate information on both the total size of such programs and the relative amount paid by federal and cash funding sources.

**Impact to Other State Government Agency:**

*Not applicable*

**Cash Fund Projections without Decision Item:**

Date	Net Current Assets
June 30, 2012 (actual)	\$14,131,488
June 30, 2013 (projected)	\$10,357,195
June 30, 2014 (projected)	\$7,343,195
June 30, 2015 (projected)	\$4,329,195

**Cash Fund Projections with Decision Item:**

Date	Net Current Assets
June 30, 2012 (actual)	\$14,131,488
June 30, 2013 (projected)	\$10,357,195
June 30, 2014 (projected)	\$10,343,195
June 30, 2015 (projected)	\$10,329,195

*See the Schedule 9 for the Wildlife Cash Fund (Fund #410) for additional details on the status of this cash fund.*

**Relation to Performance Measures:**

*Not applicable*

**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.

Section 33-1-105(1)(f), C.R.S., authorizes the Commission to receive and expend grants, gifts, and bequests, including federal funds, made available for the purposes for which the commission is authorized.