

**Schedule 13**  
**Funding Request for the 2014-15 Budget Cycle**

Department: Department of Natural Resources, Division of Parks and Wildlife

Request Title: Division of Parks and Wildlife Line Item Reorganization

Priority Number: R-4

Dept. Approval by: *Will H. Levin* 10/24/2013  
 Date

- Decision Item FY 2014-15
- Base Reduction Item FY 2014-15
- Supplemental FY 2013-14
- Budget Amendment FY 2014-15

OSPB Approval by: *Paul M. ...* 10/24/13  
 Date

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
<b>Total of All Line Items</b>	<b>Total</b>	93,338,644	-	93,864,458	(160,000)	(160,000)
	FTE	626.6	-	626.6	-	-
	GF	500,000	-	-	-	-
	GFE	-	-	-	-	-
	CF	73,334,226	-	74,307,042	(160,000)	(160,000)
	RF	-	-	-	-	-
	FF	19,504,418	-	19,557,416	-	-
(5)(A) Colorado Parks and Wildlife - Wildlife Operations (NEW LINE ITEM)	<b>Total</b>	-	-	-	79,212,365	79,212,365
	FTE	-	-	-	622.6	622.6
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	60,375,050	60,375,050
	RF	-	-	-	-	-
	FF	-	-	-	18,837,315	18,837,315
(5)(B) Wildlife - Director's Office (TO BE CONSOLIDATED UNDER NEW WILDLIFE OPERATIONS LINE ITEM)	<b>Total</b>	1,857,086	-	1,894,091	(1,894,091)	(1,894,091)
	FTE	15.7	-	15.7	(15.7)	(15.7)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	1,737,507	-	1,774,512	(1,774,512)	(1,774,512)
	RF	-	-	-	-	-
	FF	119,579	-	119,579	(119,579)	(119,579)
(5)(B) Wildlife - Wildlife Management (TO BE CONSOLIDATED UNDER NEW WILDLIFE OPERATIONS LINE ITEM)	<b>Total</b>	69,822,120	-	70,748,424	(70,748,424)	(70,748,424)
	FTE	547.9	-	547.9	(547.9)	(547.9)
	GF	500,000	-	-	-	-
	GFE	-	-	-	-	-
	CF	50,619,650	-	52,045,954	(52,045,954)	(52,045,954)
	RF	-	-	-	-	-
	FF	18,702,470	-	18,702,470	(18,702,470)	(18,702,470)

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
<b>(5)(B) Wildlife - Technical Services (TO BE CONSOLIDATED UNDER NEW WILDLIFE OPERATIONS LINE ITEM)</b>	<b>Total</b>	6,400,796	-	6,569,850	(6,569,850)	(6,569,850)
	FTE	59.0	-	59.0	(59.0)	(59.0)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	6,385,530	-	6,554,584	(6,554,584)	(6,554,584)
	RF	-	-	-	-	-
	FF	15,266	-	15,266	(15,266)	(15,266)
<b>(5)(B) Colorado Parks and Wildlife - Information Technology (NEW LINE ITEM)</b>	<b>Total</b>	-	-	-	2,881,895	2,881,895
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	2,881,895	2,881,895
	RF	-	-	-	-	-
	FF	-	-	-	-	-
<b>(5)(A) State Parks - Information Technology (TO BE CONSOLIDATED WITH WILDLIFE INFORMATION TECHNOLOGY LINE ITEM)</b>	<b>Total</b>	1,301,500	-	1,301,500	(1,301,500)	(1,301,500)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	1,301,500	-	1,301,500	(1,301,500)	(1,301,500)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
<b>(5)(B) Wildlife - Information Technology (TO BE CONSOLIDATED WITH STATE PARKS INFORMATION TECHNOLOGY LINE ITEM)</b>	<b>Total</b>	1,580,395	-	1,580,395	(1,580,395)	(1,580,395)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	1,580,395	-	1,580,395	(1,580,395)	(1,580,395)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
<b>(5)(B) Colorado Parks and Wildlife - S.B. 08-226 Aquatic Nuisance Species (NEW LINE ITEM)</b>	<b>Total</b>	-	-	-	3,866,639	3,866,639
	FTE	-	-	-	4.0	4.0
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	3,866,639	3,866,639
	RF	-	-	-	-	-
	FF	-	-	-	-	-
<b>(5)(A) State Parks - S.B. 08-226 Aquatic Nuisance Species (TO BE CONSOLIDATED WITH WILDLIFE AQUATIC NUISANCE SPECIES LINE ITEM)</b>	<b>Total</b>	2,548,520	-	2,562,095	(2,562,095)	(2,562,095)
	FTE	4.0	-	4.0	(4.0)	(4.0)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	2,548,520	-	2,562,095	(2,562,095)	(2,562,095)
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
<b>(5)(B) Wildlife - S.B. 08-226 Aquatic Nuisance Species (TO BE CONSOLIDATED WITH STATE PARKS AQUATIC NUISANCE SPECIES LINE ITEM)</b>	<b>Total</b>	1,304,544	-	1,304,544	(1,304,544)	(1,304,544)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	1,304,544	-	1,304,544	(1,304,544)	(1,304,544)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
<b>(5)(B) Colorado Parks and Wildlife - Asset Maintenance and Repairs (NEW LINE ITEM)</b>	<b>Total</b>	-	-	-	2,606,880	2,606,880
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	2,606,880	2,606,880
	RF	-	-	-	-	-
	FF	-	-	-	-	-
<b>(5)(A) State Parks - Miscellaneous Small Projects (TO BE CONSOLIDATED WITH WILDLIFE ASSET MAINTENANCE AND REPAIRS LINE ITEM)</b>	<b>Total</b>	2,000,000	-	2,000,000	(2,000,000)	(2,000,000)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	2,000,000	-	2,000,000	(2,000,000)	(2,000,000)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
<b>(5)(B) Wildlife - Asset Maintenance and Repairs (TO BE CONSOLIDATED WITH STATE PARKS MISCELLANEOUS SMALL PROJECTS LINE ITEM)</b>	<b>Total</b>	606,880	-	606,880	(606,880)	(606,880)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	606,880	-	606,880	(606,880)	(606,880)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
<b>(5)(B) Colorado Parks and Wildlife - Indirect Cost Assessment (NEW LINE ITEM)</b>	<b>Total</b>	-	-	-	5,136,679	5,136,679
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	4,416,578	4,416,578
	RF	-	-	-	-	-
	FF	-	-	-	720,101	720,101
<b>(5)(A) State Parks - Indirect Cost Assessment (TO BE CONSOLIDATED WITH WILDLIFE INDIRECT COST ASSESSMENT LINE ITEM)</b>	<b>Total</b>	1,777,457	-	1,577,618	(1,577,618)	(1,577,618)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	1,739,891	-	1,532,775	(1,532,775)	(1,532,775)
	RF	-	-	-	-	-
	FF	37,566	-	44,843	(44,843)	(44,843)

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
<b>(5)(B) Wildlife - Indirect Cost Assessment (TO BE CONSOLIDATED WITH STATE PARKS INDIRECT COST ASSESSMENT LINE ITEM)</b>	<b>Total</b>	3,979,346	-	3,559,061	(3,559,061)	(3,559,061)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	3,349,809	-	2,883,803	(2,883,803)	(2,883,803)
	RF	-	-	-	-	-
	FF	629,537	-	675,258	(675,258)	(675,258)
<b>(5)(B) Wildlife - Discretionary Fund</b>	<b>Total</b>	160,000	-	160,000	(160,000)	(160,000)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	160,000	-	160,000	(160,000)	(160,000)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
<p><b>Letternote Text Revision Required?</b>      Yes: <input checked="" type="checkbox"/>      No: <input type="checkbox"/>      <b>If yes, describe the Letternote Text Revision:</b>                      See Attachment C, CPW Letternote Text Revisions</p> <p><b>Cash or Federal Fund Name and COFRS Fund Number:</b>      See Attachment C for details on cash funds and federal funds</p> <p><b>Reappropriated Funds Source, by Department and Line Item Name:</b>      N/A</p> <p><b>Approval by OIT?</b>      Yes: <input type="checkbox"/>      No: <input type="checkbox"/>      <b>Not Required:</b> <input checked="" type="checkbox"/></p> <p><b>Schedule 13s from Affected Departments:</b>      N/A</p> <p><b>Other Information:</b>      None</p>						



### ***Cost and FTE***

- This request is to reorganize the Colorado Parks and Wildlife (CPW) Long Bill line item structure to reflect the Division's new organization structure, which changed as a result of the former Divisions of State Parks and Wildlife being merged under S.B. 11-208. The request includes the elimination of the Wildlife Commission Discretionary Fund line item, resulting in decreased appropriations of \$160,000 cash funds. The request does not impact FTE levels.

### ***Current Program***

- Colorado Parks and Wildlife serves residents and visitors alike by supporting a wide range of outdoor recreational activities including hunting, fishing, wildlife viewing, and trail use both in and outside of the 42 state parks operated by the division. For FY 2013-14 CPW was appropriated a total budget of \$135,672,343 and 886.5 FTE. The Division's current Long Bill line item structure drives CPW's fund/appropriation structure and impacts fiscal management at all levels.

### ***Problem or Opportunity***

- The former Divisions of Parks and Wildlife were merged into Colorado Parks and Wildlife in 2011. No changes were made to the new agency's Long Bill line item structure at that time. CPW's 25 current line items are the same lines that existed in the two agencies prior to the merger.

### ***Consequences of Problem***

- The current CPW Long Bill line item structure does not accurately reflect the merged agency's new organizational structure.
- CPW's FY 2013-14 Long Bill contains redundant line items, including two line items for Information Technology, two for Aquatic Nuisance Species, and two for Indirect Cost Assessment.
- Reporting related to line items and organizational units which no longer exist is potentially inaccurate or misleading.

### ***Proposed Solution***

- CPW proposes reorganizing its current 25 line items into a new structure of 18 line items.
- CPW will utilize its existing automated budget system division-wide to ensure transparency and detailed reporting capabilities are maintained under the new Long Bill structure.
- The Discretionary Fund line item has proven to be unnecessary and will be eliminated. CPW will not seek to recover this \$160,000 in spending authority in another line item.





# COLORADO

## Department of Natural Resources

FY 2014-15 Funding Request | November 1, 2013

John W. Hickenlooper  
Governor

Mike King  
Executive Director

**Department Priority: R-4**  
**Request Detail: Division of Parks and Wildlife Line Item Reorganization**

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund
Division of Parks and Wildlife Line Item Reorganization	(\$160,000)	\$0

### **Problem or Opportunity:**

In 2011, S.B. 11-208 merged the Division of Parks and Outdoor Recreation (DPOR) and the Division of Wildlife (DOW) to create the Colorado Division of Parks and Wildlife (CPW). At the time of the merger, no changes were made to the Long Bill line items of the predecessor agencies. Beginning with the 2012 Long Bill, the existing DPOR and DOW sections were simply combined and re-titled “Division of Parks and Wildlife,” with no other changes made to existing line item structures. As such, CPW’s current 25 Long Bill line items are the same lines that existed in the two predecessor agencies prior to the merger. This change request represents the Division’s first attempt to reorganize its line items and align them with the newly merged division.

This line item structure does not reflect the integrated nature of the new division and results in duplicated line items. In the most recent (FY 2013-14) Long Bill, the Division has two separate (but identically titled) line items for Information Technology, two for Aquatic Nuisance Species management, and two for Indirect Cost Assessment. Other lines, such as the Director’s Office line item, reflect a time and level of funding for the Director’s Office of the old Division of Wildlife. This line item bears no logical connector to the new CPW organizational structure. To the extent the public or other interested parties believe that the Director’s Office line item reflects the entire appropriation for the management of CPW, they would be mistaken. In this regard, the current Long Bill structure is misleading, which reduces transparency.

The Discretionary Fund, a former Wildlife appropriation funded with cash, was created to allow the Wildlife Commission to fund projects and initiatives that emerged as priorities during the fiscal year but did not fit cleanly into one of the Division’s other line items. In FY 2009-10 the Division made some internal budget reductions to reduce Wildlife cash expenses and the budget related to this line item was eliminated. The Discretionary Fund line item has not incurred expenditures since FY 2008-09.

The Department of Natural Resources Performance Plan for FY 2014-15 emphasizes a “customer focus.” Out-of-date line items that no longer reflect the Division’s organizational structure, or that provide potentially misleading information, could make it more difficult for the Division’s “customers” (legislators and citizens) to fully understand the CPW budget.

### ***Proposed Solution:***

As a logical step in the overall merger process mandated by S.B. 11-208, CPW proposes reorganizing the agency's 25 lines into two groups totaling 18 total line items. Reorganizing the line item structure will result in a Long Bill that more accurately represents the Division in its new organizational structure. Eliminating redundant line items (and their associated redundant appropriations) will simplify the management of funds with regards to budgeting, expenditure, accounting, and procurement. CPW believes that this reorganization will not result in any loss of reporting capability and will improve budgetary transparency.

CPW proposes the following adjustments to the existing Long Bill structure:

- The Division's overall Long Bill structure will consist of two main organizational sections: 1) Colorado Parks and Wildlife Operations and 2) Special Purpose Appropriations.
- The existing Wildlife Director's Office, Wildlife Management, and Wildlife Technical Services line items will be consolidated into a new Wildlife Operations line item. This will eliminate the potentially misleading Wildlife Director's Office line item and result in a line item that parallels the existing State Parks Operations line item.
- There will be single line items for Information Technology, Aquatic Nuisance Species, and Indirect Cost Assessment, each representing appropriations for the entire division.
- The State Parks Miscellaneous Small Projects line item will be combined with the Wildlife Asset Maintenance and Repairs line item. These line items represented similar programs in their predecessor agencies. This new line will keep the name Asset Maintenance and Repairs.
- The Discretionary Fund, a former Wildlife appropriation funded with cash, will be eliminated as part of the proposed reorganization. In FY 2009-10 the Division made some internal budget reductions to reduce Wildlife cash expenses and the budget related to this line item was eliminated. The Discretionary Fund line item has not incurred expenditures since FY 2008-09.

Please see Attachment A for a chart showing the current Long Bill line item structure for the Division and the proposed reorganization.

The consolidation and reorganization of line items will not increase appropriations or FTE. The elimination of the Discretionary Fund line item will result in a reduction of \$160,000 to the Division's cash spending authority.

If the consolidation is not approved, CPW's line item structure will continue to reflect a division that is not significantly different in its financial organization than its predecessor agencies – that is, the newly formed CPW will continue to appear, for all budgetary purposes, like a distinct Parks division and a distinct Wildlife division. In this regard, the budget will not transparently reflect the reality of the Division's current organizational structure. Line item titles that reflected an organization structure prior to the merger, such as Director's Office, will be outdated and potentially misleading.

The duplicated line items have resulted in inefficiencies in budgeting and fiscal management. As one example, the Division's two Aquatic Nuisance Species (ANS) line items have separate appropriations; these in turn require separate coding strings and separate tracking and management of funds for two



appropriations that support identical work within the Division. This increases the complexity of the day-to-day use of ANS appropriations at multiple levels within the Division, including the ANS work unit, the Budget section, the Procurement section, and the Accounting section. Analogous situations exist for the dual appropriations resulting from the redundant Information Technology and Indirect Cost Assessment line items. This defeats one of the primary purposes behind the CPW merger, which was intended to (among other things) increase financial and budgetary efficiencies and transparency. By reorganizing the Division's Long Bill line items and eliminating potentially confusing elements, CPW can provide improved budgetary information to customers at all levels, including the Executive Branch, members of the General Assembly, and citizens of Colorado.

Consolidating the line items managed by CPW is consistent with the 2010 SMART Government Act (H.B. 10-1119), which reads in part:

*If a principal department of the Executive Branch of state government as specified in Section 24-1-110, C.R.S., submits a plan approved by the Office of State Planning and Budgeting to improve budgetary efficiency or administrative flexibility by recommending line item consolidation in the annual General Appropriation Act, the [Joint Budget] Committee shall consider such a plan for recommendation to the General Assembly.*

For additional issues and concerns, please see Attachment B.

#### ***Anticipated Outcomes:***

The Division uses a diverse funding mix that includes cash, a significant number of federal grants and other federal funding, Colorado state severance tax revenue, and Great Outdoors Colorado (GOCO) and Lottery proceeds. These funding sources are both appropriated by the Legislature and non-appropriated, and are organized into approximately 35 internal funds, each with different purposes and restrictions.

By reorganizing the Division's line items, CPW can manage its budget efficiently and effectively, while maintaining federal and state "purpose of funds" obligations and avoiding the potential for a diversion of federal Pittman-Robertson and Dingell-Johnson funds for non-wildlife uses. The proposed line item structure will facilitate CPW's compliance with Colorado's assent statutes (Sections 33-1-117 and 33-1-118, C.R.S.), which direct the Division to ensure that wildlife funds are expended only for wildlife purposes.

Eliminating the redundant line items in the Division's budget and their associated redundant appropriations will also simplify the account code structure used by the agency. This in turn simplifies the management of funding at the administrative level (in the Budget, Accounting, and Procurement work units of CPW) and, perhaps more importantly, simplifies the expenditure of funding for the field units that perform the work of the Division.

CPW will maintain a high degree of budgetary transparency, including capability for comprehensive reporting on any and all funding sources used by the Division. The Division's BRASS budget management system, previously utilized only by the former Wildlife sections of CPW, will be rolled out to all divisional cost centers for FY 2013-14. As part of this effort, CPW is implementing a combined, standardized account coding structure that incorporates all divisional funds, appropriations, organizational units, work packages, and grants.

***Assumptions and Calculations:***

The consolidation and reorganization of line items will not increase appropriations or FTE. The elimination of the Discretionary Fund line item will result in a reduction of \$160,000 to the Division's cash spending authority.

***Supplemental, 1331 Supplemental or Budget Amendment Criteria:***

Not applicable.

Attachment A  
 Department of Natural Resources Decision Item R-4  
 Colorado Parks and Wildlife Line Item Reorganization  
 Proposed New Line Item Structure

**Current Line Items**

	<u>FTE</u>	<u>FY 2014-15 Request</u>	
		CF	FF
(5) Division of Parks and Wildlife			
(A) Parks and Outdoor Recreation			
(1) State Park Operations	255.1	27,490,248	441,741
(2) Special Purpose			
Snowmobile Program	1.3	1,000,924	0
River Outfitters Regulation	0.5	143,996	0
Off-highway Vehicle Program	3.0	537,801	0
Off-highway Vehicle Grants	0.0	4,000,000	0
Federal Grants	0.0	0	750,000
S.B. 03-290 Enterprise Fund	0.0	200,000	0
Information Technology	0.0	1,301,500	0
Natural Resource Protection	0.0	150,000	450,000
Miscellaneous Small Projects	0.0	2,000,000	0
Trail Grants	0.0	1,800,000	400,000
S.B. 08-226 Aquatic Nuisance Species	4.0	2,562,095	0
Indirect Cost Assessment	0.0	1,532,775	44,843

(B) Wildlife			
(1) Division Operations			
Director's Office	15.7	1,774,512	119,579
Wildlife Management	547.9	52,045,954	18,702,470
Technical Services	59.0	6,554,584	15,266
Information Technology	0.0	1,580,395	0
Sub:	622.6	61,955,445	18,837,315
(2) Special Purpose			
Discretionary Fund	0.0	160,000	
Game Damage Claims and Prevention	0.0	1,282,500	
Instream Flow Program	0.0	296,027	
Habitat Partnership Program	0.0	2,500,000	
S.B. 08-226 Aquatic Nuisance Species	0.0	1,304,543	
Grants and Habitat Partnerships	0.0	1,625,000	
Asset Maintenance and Repairs	0.0	606,880	
Indirect Cost Assessment	0.0	2,883,803	675,258

**Total: 886.5 115,333,537.0 21,599,157.0**

**Proposed New Line Item Structure**

	<u>FTE</u>	<u>FY 2014-15 Request</u>	
		CF	FF
(5) Division of Parks and Wildlife			
(A) Colorado Parks and Wildlife Operations			
State Park Operations	255.1	27,490,248	441,741
Wildlife Operations	622.6	60,375,050	18,837,315
(B) Special Purpose			
Snowmobile Program	1.3	1,000,924	0
River Outfitters Regulation	0.5	143,996	0
Off-highway Vehicle Program Support	3.0	537,801	0
Off-highway Vehicle Grants	0.0	4,000,000	
Federal Grants	0.0	0	750,000
S.B. 03-290 Enterprise Fund	0.0	200,000	0
Information Technology	0.0	2,881,895	0
Natural Resource Protection	0.0	150,000	450,000
Trail Grants	0.0	1,800,000	400,000
S.B. 08-226 Aquatic Nuisance Species	4.0	3,866,638	0
Game Damage Claims and Prevention	0.0	1,282,500	0
Instream Flow Program	0.0	296,027	0
Habitat Partnership Program	0.0	2,500,000	0
Grants and Habitat Partnerships	0.0	1,625,000	0
Asset Maintenance and Repairs	0.0	2,606,880	0
Indirect Cost Assessment	0.0	4,416,578	720,101

**Total: 886.5 115,173,537 21,599,157**  
**Difference: 0.0 (160,000) 0**

**Attachment B**  
**Department of Natural Resources Decision Item R-4**  
**Division of Parks and Wildlife Line Item Reorganization**  
**Additional Issues and Concerns**

On February 7, 2012, Eric Kurtz sent a memorandum to JBC staff that provided common criteria used to evaluate requests to consolidate Long Bill line items. This attachment will attempt to directly answer the common questions raised in this JBC staff memo.

1. **Has the department demonstrated a problem with the current appropriations that results in inefficiencies? If the detailed appropriations are inefficient, the Department should be able to identify some specific negative consequences, such as an excessive number of supplemental requests, or foregone expenditures prohibited by the budget structure that would have made the program better.**

In the FY 2013-14 Long Bill, Colorado Parks and Wildlife (CPW) has two separate (but identically titled) line items for Information Technology, two for Aquatic Nuisance Species management, and two for Indirect Cost Assessment. These duplicated line items result in duplicated appropriations that are intended to fulfill identical programmatic objectives and goals. While the division has not experienced excessive supplemental requests, this budget structure is inefficient, especially with regards to the day-to-day management of the agency's budget, procurement, expenditure, accounting, and reporting processes.

CPW has a highly complex funding structure with multiple sources of funding (both appropriated and nonappropriated), including approximately 35 internal funds, each with different purposes and restrictions. Eliminating the redundant line items in the division's budget and their associated redundant appropriations will simplify the account code structure used by the agency. This in turn simplifies the management of funding at the administrative level (in the Budget, Accounting, and Procurement work units of CPW) and, perhaps more importantly, simplifies the expenditure of funding for the field units that perform the work of the division. As a relevant example, the current Long Bill contains a line item called Director's Office. This was the old appropriation for the Director of the Division of Wildlife, as well as administrative, financial, and policy staff that help to operate the old Division of Wildlife. Given that this office no longer exists under the current organization structure, it is difficult for accounting staff to determine what expenses should be billed against this appropriation and for budget staff to reflect expenses and FTE utilization against this non-existent office.

Another problem created is lack of transparency. Someone looking at the Director's Office line item (above) could believe that this represents the expenses of the division director and other CPW administration. Because the Director's Office no longer exists, it is less than clear what this appropriation and associated expenses even mean. By

restructuring the Long Bill line items to match the current organizational structure, transparency (the ease by which someone could look at the budget and understand the general budget categories and what they mean) will be improved.

2. **Has the department made a business case that greater administrative flexibility will improve operations? Departments should be able to give examples of what they will do with the increased flexibility, and why that will improve the program.**

The primary purpose of CPW's proposed line item reorganization is not increased administrative flexibility (although this could be a result in some specific instances). Rather, the division is seeking to reorganize its line items as a logical next step in the overall merger process mandated by S.B. 11-208. The merger of two large, well-established divisions into a new entity with an annual budget of approximately \$120 million and almost 900 FTE will necessarily involve a significant amount of administrative reorganization; in the case of the new division's Long Bill line items, this reorganization will align the division's line items with its new organizational structure and eliminate three redundant line items.

3. **Has the department identified strong performance measures by which the effectiveness of the program can be assessed? The presence of good performance measures to indicate whether a department is making wise resource allocations may reduce the need for detailed appropriations. Much of the SMART Act focuses on performance budgeting, and so it seems reasonable to evaluate consolidation requests submitted pursuant to H.B. 10-1119 in that context.**

Through the process of implementing a department performance plan, as required by the State Measurement for Accountable, Responsive, and Transparent Government (SMART) Act, CPW has developed more than 40 Output Measures for the division's key metrics in three major program areas: Outdoor Recreation, Wildlife and Habitat Conservation, and Trails. These Output Measures will be reviewed and refined annually, as part of the legislative budget process. Taken as a whole, the Output Measures provide information on nearly every aspect of agency performance. The proposed line item reorganization will not impact the effectiveness of the Output Measures in quantifying agency performance.

4. **Is there a known reason why the line items were separated in the first place? If so, then the follow-up question is whether any of those reasons still apply.**

The line items being consolidated were previously distinct because the Division of Parks and Outdoor Recreation and the Division of Wildlife were separate entities. Reorganizing the line items from predecessor agencies is a logical and necessary step in

the overall implementation of S.B. 11-208.

5. **How big are the line items that will be consolidated, and what are the fund sources? The size and fund sources for the line items are not sufficient justification for consolidation by themselves, but they may influence how much the analyst weighs the potential negative consequences associated with consolidation versus the potential positive outcomes.**

	Total	CF	FF
Wildlife Director's Office	1,894,091	1,774,512	119,579
Wildlife Management	70,748,424	52,045,954	18,702,470
Wildlife Technical Services	6,569,850	6,554,584	15,266
<b>Colorado Parks and Wildlife - Wildlife Operations</b>	<b>79,212,365</b>	<b>60,375,050</b>	<b>18,837,315</b>

	Total	CF	FF
State Parks Information Technology	1,301,500	1,301,500	0
Wildlife Information Technology	1,580,395	1,580,395	0
<b>Colorado Parks and Wildlife Information Technology</b>	<b>2,881,895</b>	<b>2,881,895</b>	<b>0</b>

	Total	CF	FF
State Parks Aquatic Nuisance Species	2,562,095	2,562,095	0
Wildlife Aquatic Nuisance Species	1,304,544	1,304,544	0
<b>Colorado Parks and Wildlife Aquatic Nuisance Species</b>	<b>3,866,639</b>	<b>3,866,639</b>	<b>0</b>

	Total	CF	FF
State Parks Miscellaneous Small Projects	2,000,000	2,000,000	0
Wildlife Asset Maintenance and Repairs	606,880	606,880	0
<b>Colorado Parks and Wildlife Asset Maintenance and Repairs</b>	<b>2,606,880</b>	<b>2,606,880</b>	<b>0</b>

	Total	CF	FF
State Parks Indirect Cost Assessment	1,577,618	1,532,775	44,843
Wildlife Indirect Cost Assessment	3,559,061	2,883,803	675,258
<b>Colorado Parks and Wildlife Indirect Cost Assessment</b>	<b>5,136,679</b>	<b>4,416,578</b>	<b>720,101</b>

6. **Will detailed information about expenditure patterns still be available after the consolidation? For example, if a department proposes consolidating personal services and operating expenses, the JBC will still get information on the breakout between the two in the Schedule 14. On the other hand, if a department proposes consolidating two personal services line items, will the JBC still get information on how much was spent on each distinct area?**

Yes, the division will maintain a high degree of transparency with regards to budget and expenditures. The proposed reorganization does not include any consolidation of personal services line items with operating line items. Further, beginning in FY 2013-14 the division's BRASS budget management system, previously utilized only by the former Wildlife sections of CPW, will be rolled out to all divisional cost centers. As part of this effort, CPW is implementing a combined, standardized account coding structure that incorporates all divisional funds, appropriations, organizational units, work packages, and grants. Through the use of this standardized coding structure, CPW will continue to be able to provide reporting on expenditure patterns in a high level of detail. Regardless of the exact line item structure, CPW has been providing JBC staff with an annual report on agency revenues and expenditures per a Request for Information. CPW also makes other information about the agency's revenues and expenditures available publically as part of providing quarterly financial updates to the Parks and Wildlife Commission.

7. **Have there been large reversions from the line items? If so, more analysis is needed. Large reversions could indicate that additional flexibility is not needed. On the other hand, large reversions may indicate that managers are budgeting too conservatively and underutilizing appropriated resources, due to concern that a lack of flexibility in the appropriation might lead to an over expenditure if the manager hires a full compliment of staff and then projected vacancy savings do not occur.**

Some line items from the former Division of Wildlife have experienced spending authority reversions in recent years, primarily because of increased federal funding received by the agency. When this happens, expenditures that would have used the cash appropriation, use federal funding instead, resulting in a reversion of cash spending authority. A detailed explanation of this is provided below.

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). CPW wildlife programs also 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.

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.

As such, as part of the FY 2013-14 budget development process, the division requested (via decision item) a technical spending authority adjustment, in order to more accurately align Long Bill appropriation to the Division's actual spending and financing structure.



**Attachment C**

**Department of Natural Resources Decision Item R-4**

**Colorado Parks and Wildlife Line Item Reorganization**

**Proposed Letternote Text Revisions**

**Changes to Existing Line Items**

**(5) Division of Parks and Wildlife**

**(A) Parks and Outdoor Recreation**

**(1) State Park Operations**

Current letternote, federal funds: This amount is anticipated to be received from the United States Bureau of Reclamation through a cost-sharing agreement to address the net operating deficit of Paonia, Vega, Rifle Gap, Crawford, and Navajo State parks.

Revised letternote, federal funds: This amount shall be from various sources of federal funds, including funding received from the United States Bureau of Reclamation through a cost-sharing agreement to address the net operating deficit of Paonia, Vega, Rifle Gap, Crawford, and Navajo State parks.

**(2) Special Purpose: Federal Grants**

Current letternote, federal funds: This amount reflects funds anticipated to be received from the United States Coast Guard's Boat Safety Program.

Revised letternote, federal funds: This amount shall be from various sources of federal funds, including funds anticipated to be received from the United States Coast Guard's Boat Safety Program.

**(2) Special Purpose: Information Technology**

Current letternote, cash funds: These amounts shall be from lottery proceeds pursuant to Section 3 of Article XXVII of the State Constitution, and are shown for informational purposes only.

Revised letternote, cash funds: If the division's decision item is approved, this line item will no longer exist and the letternote can be deleted from this section. The content of this letternote can be used with minor revisions on the new, consolidated Information Technology line item.

CPW proposes that the letter note on the new Information Technology line item reads as follows: "Of this amount, \$1,301,500 shall be from lottery proceeds pursuant to Section 3 of Article XXVII of the State Constitution, and \$1,580,395 shall be from the Wildlife Cash Fund created in section 33-1-112 (1) (a), C.R.S. Lottery funds are shown for informational purposes only."

(2) Special Purpose: Natural Resource Protection

Current letternote, federal funds: This amount reflects anticipated funds from the Federal Emergency Management Agency's Predisaster Mitigation Program.

Revised letternote, federal funds: This amount shall be from various sources of federal funds, including anticipated funds from the Federal Emergency Management Agency's Predisaster Mitigation Program.

(2) Special Purpose: Miscellaneous Small Projects

Current letternote, cash funds: These amounts shall be from lottery proceeds pursuant to Section 3 of Article XXVII of the State Constitution, and are shown for informational purposes only.

Revised letternote, cash funds: If the division's decision item is approved, this line item will no longer exist and the letternote can be deleted from this section. The content of this letternote can be used with minor revisions on the new combined Asset Maintenance and Repairs line item. CPW proposes that the letternote on the new Asset Maintenance and Repairs line item reads as follows: "Of this amount, \$2,000,000 shall be from lottery proceeds pursuant to Section 3 of Article XXVII of the State Constitution, and \$606,880 shall be from the Wildlife Cash Fund created in Section 33-1-112 (1) (a), C.R.S. Lottery funds are shown for informational purposes only."

(2) Special Purpose: Trail Grants

Current letternote, federal funds: This amount reflects anticipated funds from the United States Department of the Interior National Park Service Land and Water Conservation Fund State Assistance Program.

Revised letternote, federal funds: This amount shall be from various sources of federal funds, including anticipated funds from the United States Department of the Interior National Park Service Land and Water Conservation Fund State Assistance Program.

(2) Special Purpose: S.B. 08-226 Aquatic Nuisance Species

Current letternote, cash funds: This amount shall be from the Division of Parks and Outdoor Recreation Aquatic Nuisance Species Fund created in Section 33-10.5-108 (1) (a), C.R.S., and is continuously appropriated.

Revised letternote, cash funds: If the division's decision item is approved, this line item will no longer exist and the letternote can be deleted from this section. The content of this letternote can be used with minor revisions on the new combined Aquatic Nuisance Species line item. CPW proposes that the letter note on the new Aquatic Nuisance Species line item reads as follows: "Of this amount, \$2,562,095 shall be from the Division of Parks and Outdoor Recreation Aquatic Nuisance Species Fund created in Section 33-10.5-108 (1) (a), C.R.S., and is continuously appropriated, and \$1,304,544 shall be from the Division of Wildlife Aquatic Nuisance Species Fund created in Section 33-10.5-108 (2) (a), C.R.S., and is continuously appropriated."

**(2) Special Purpose: Indirect Cost Assessment**

Current letternote, cash funds: Of this amount, \$1,613,465 shall be from the Parks and Outdoor Recreation Cash Fund created in Section 33-10-111 (1), C.R.S., and \$126,426 shall be from the Operational Account of the Severance Tax Trust Fund pursuant to Section 39-29-109.3 (1) (f), C.R.S.

Revised letternote, cash funds: If the division's decision item is approved, this line item will no longer exist and the letternote can be deleted from this section. The content of this letternote can be used with minor revisions on the new combined Indirect Cost Assessment line item. CPW proposes that the letter note on the new Indirect Cost Assessment line item reads as follows: "Of this amount, \$1,423,685 shall be from the Parks and Outdoor Recreation Cash Fund created in Section 33-10-111 (1), C.R.S., \$178,385 shall be from the Operational Account of the Severance Tax Trust Fund pursuant to Section 39-29-109.3 (1) (f), C.R.S., and \$2,814,507 shall be from the Wildlife Cash Fund created in Section 33-1-112 (1) (a), C.R.S."

Current letternote, federal funds: This amount reflects anticipated funds from indirect cost recoveries on various federal grants.

Revised letternote, federal funds: If the division's decision item is approved, this line item will no longer exist and the letternote can be deleted from this section. The content of this letternote can be used (without revision) for a new letternote for the division's newly created, combined Indirect Cost Assessment line item.

**(5) Division of Parks and Wildlife**

**(B) Wildlife**

**(1) Division Operations: Director's Office, Wildlife Management, Technical Services, and Information Technology**

Current letternote, cash funds: Of this amount, \$51,958,082 shall be from the Wildlife Cash Fund created in Section 33-1-112 (1) (a), C.R.S., \$6,200,000 (l) shall be from the Great Outdoors Colorado Program established in Section 1 of Article XXVII of the State Constitution, and is

shown for informational purposes only, \$1,100,000 shall be from the Wildlife Management Public Education Fund created in Section 33-1-112 (3.5) (a), C.R.S., \$500,000 shall be from subscription revenues from Colorado Outdoors Magazine, \$400,000 shall be from the Nongame and Endangered Wildlife Cash Fund created in Section 39-22-703 (1), C.R.S., \$150,000 shall be from cash grants and donations, and \$15,000 shall be from the Federal Aid Projects Income Fund.

Revised letternote, cash funds: If the division's decision item is approved, this section of the Long Bill and its line items will no longer exist and the letternote can be deleted from this section. The dollar amounts and information included in the current letternote will appear in new letternotes for the division's newly created Wildlife Operations and Information Technology line items. The division will need to craft a new letternote with appropriate dollar amounts depending on the funding splits included in the division's final appropriation.

Current letternote, federal funds: This amount shall be from various sources of federal funds, including Pittman-Robinson Wildlife Restoration funds, Dingell-Johnson Sport Fish Restoration funds, United States Department of Interior Fish and Wildlife Service, United States Fish and Wildlife Service State Wildlife Grants, and Cooperative Endangered Species Conservation funds.

Revised letternote, federal funds: If the division's decision item is approved, this section of the Long Bill and its line items will no longer exist and the letternote can be deleted from this section. The dollar amounts and information included in the current letternote will appear in a new letternote for the division's newly created Wildlife Operations line item. The proposed new letter note on the Wildlife Operations line item is as follows: "This amount shall be from various sources of federal funds, including Pittman-Robinson Wildlife Restoration funds, Dingell-Johnson Sport Fish Restoration funds, United States Department of Interior Fish and Wildlife Service, United States Fish and Wildlife Service State Wildlife Grants, and Cooperative Endangered Species Conservation funds."

## (2) Special Purpose: Discretionary Fund

Current letternote, cash funds: These amounts shall be from the Wildlife Cash Fund created in Section 33-1-112 (1) (a), C.R.S.

Revised letternote, cash funds: No revision, but this line item will be eliminated if the division's decision item is approved. However, the current letternote applies to other line items that will remain in the Long Bill, and thus should be retained without edits.

## (2) Special Purpose: S.B. 08-226 Aquatic Nuisance Species

Current letternote, cash funds: This amount shall be from the Division of Wildlife Aquatic Nuisance Species Fund created in Section 33-10.5-108 (2) (a), C.R.S., and is continuously appropriated to the Division of Wildlife.

Revised letternote, cash funds: If the division's decision item is approved, this line item will no longer exist and the letternote can be deleted from this section. The content of this letternote can be used with minor revisions on the new combined Aquatic Nuisance Species line item. CPW proposes that the letter note on the new Aquatic Nuisance Species line item reads as follows: "Of this amount, \$2,562,095 shall be from the Division of Parks and Outdoor Recreation Aquatic Nuisance Species Fund created in Section 33-10.5-108 (1) (a), C.R.S., and is continuously appropriated, and \$1,304,544 shall be from the Division of Wildlife Aquatic Nuisance Species Fund created in Section 33-10.5-108 (2) (a), C.R.S., and is continuously appropriated."

(2) Special Purpose: Asset Maintenance and Repairs

Current letternote, cash funds: These amounts shall be from the Wildlife Cash Fund created in Section 33-1-112 (1) (a), C.R.S.

Revised letternote, cash funds: If the division's decision item is approved, this line item will no longer exist. However, this letternote also applies to other line items that will remain in the Long Bill, and thus should be retained without edits. Additionally, the content of this letternote can be used on the new combined Asset Maintenance and Repairs line item. CPW proposes that the letter note on the new Asset Maintenance and Repairs line item reads as follows: "Of this amount, \$2,000,000 shall be from lottery proceeds pursuant to Section 3 of Article XXVII of the State Constitution, and \$606,880 shall be from the Wildlife Cash Fund created in Section 33-1-112 (1) (a), C.R.S. Lottery funds are shown for informational purposes only."

(2) Special Purpose: Indirect Cost Assessment

Current letternote, cash funds: These amounts shall be from the Wildlife Cash Fund created in Section 33-1-112 (1) (a), C.R.S.

Revised letternote, cash funds: If the division's decision item is approved, this line item will no longer exist. However, this letternote also applies to other line items that will remain in the Long Bill, and thus should be retained without edits. Additionally, the content of this letternote can be used with minor revisions on the new combined Indirect Cost Assessment line item. CPW proposes that the letter note on the new Indirect Cost Assessment line item reads as follows: "Of this amount, \$1,423,685 shall be from the Parks and Outdoor Recreation Cash Fund created in Section 33-10-111 (1), C.R.S., \$178,385 shall be from the Operational Account of the Severance Tax Trust Fund pursuant to Section 39-29-109.3 (1) (f), C.R.S., and \$2,814,507 shall be from the Wildlife Cash Fund created in Section 33-1-112 (1) (a), C.R.S."

