

Line Item Descriptions

(1) Executive Director's Office (A) Administration

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 41.8 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. The Department's Short-term Disability request is calculated at 0.22% 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%

FY 2015-16 Budget Request – Line Item Description

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 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

FY 2015-16 Budget Request – Line Item Description

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.

Colorado State Network

This line item is used to pay the Department's share of the statewide multiuse network (CSN). DNR participates in the CSN 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. The divisional shares are calculated based on a division's proportionate share of DNR's total building and contents value and the number of FTE (liability exposure.)

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.

FY 2015-16 Budget Request – Line Item Description

LEASED SPACE

The mission of the Department of Natural Resources encompasses the entire state, and for reasons of efficiency and proximity to specific project areas DNR’s divisions operate a number of satellite offices throughout Colorado. In many instances, divisions are statutorily required to operate offices in specific counties and/or congressional districts statewide. In almost all cases leasing operational space for staff is more practicable than purchasing or constructing space.

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
Oil & Gas Conservation Commission	0
State Land Board	0
Division of Parks & Wildlife	22,768
Colorado Water Conservation Board	10,518
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 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.

COFRS Modernization

Created in FY 2012-13, this line is the Department's share of the cost to replace the State's aging accounting system called COFRS and to operate a new system

Information Technology Security

This line provides funding to the Office of Information Technology to fund activities to support the requirements of the state's enterprise cyber security program.

(1) Executive Director's Office (B) Special Programs (1) Colorado Avalanche Information Center

Program Costs

During the 2012 legislative session, HB 12-1355 established a process for transferring the Colorado Geologic Survey (of which the Avalanche Center was a part,) to the Colorado School of Mines. During the transfer process, it was determined that the Colorado Avalanche Information Center would be better housed in the Department of Natural Resources and not transferred to the School of Mines. Therefore, the General Assembly passed HB 13-1057 to retain the program in the Executive Director's Office of the Department. 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 the Center's forecasting, online tools, and maps to avoid or reduce their vulnerability and losses to avalanche hazards. The Avalanche Center also increases public safety through extensive educational programs and educational aids readily available to the public.

Indirect Costs

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

(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, pursuant to the Colorado Surface Coal Mining Reclamation act [Section 34-33-101, C.R.S. (2013)]. In 1978 the program received preliminary federal grant funds. By 1980 Colorado was granted full state primacy for regulation of coal mines and coal 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. 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 Colorado maintaining state primacy to conduct coal regulation statewide.

The Program Costs line funds 22.0 FTE. FTE were reduced from 24.0 in FY 2002-03 and again in FY 2012-13 (one transferred to the Colorado Oil and Gas Conservation Commission in FY 2012-13) due to inadequate funding to fill the FTE.

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 staff layoffs and to maintain regulatory effectiveness, 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 re-financing is calculated, which includes the Blasters Certification appropriation totals. The program

FY 2015-16 Budget Request – Line Item Description

continues to face the challenge of proposed federal funds reductions (around 15 percent) at a time when severance tax revenues have also constricted in recent years.

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 provides alignment of state funding decisions to known federal funding commitments which are usually finalized by December, unless a continuing resolution occurs, which delays the state grant awards to approximately April.

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 (FY2012-13 for FY2014-15 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. (2013)] following passage of the federal Surface Mining Control and Reclamation Act (SMCRA) of 1977. The federal funding is contingent on the state having primacy for coal mining regulation under Title V of SMCRA [see (A) Coal Land Reclamation]. The federal grant funds 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.

FY 2015-16 Budget Request – Line Item Description

The Long Bill shows only the administrative portion of the federal grant funds and the portion of the grant for projects to safeguard/reclaim abandoned mine sites is not shown (non-appropriated federal funds). All FTE for the program are shown in the Long Bill, but the cost of 7.0-11.0 FTE are charged to non-appropriated project funds each fiscal year.

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 openings/features existed statewide. Since 1980, approximately 9,075 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 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 Senate Bill 05-190, which appropriates \$500,000 annually to this line from the Operational Account of the Severance Tax Trust Fund. Each annual appropriation is allowed to be spent over three fiscal years as defined by footnote in the Long Bill. The Abandoned Mine Reclamation Fund was created for the purpose of this statute and is authorized to earn interest on any fund balance amounts. A change request was approved in FY2009-10 to increase the annual spending authority on this line to allow interest earned on the fund to also be spent for resolving mine openings/features each year. The spending authority for this interest increment is currently set in the Long Bill as \$19,247, but actual interest earnings have dropped in recent years to around \$8,000. A portion of the \$19,247 is restricted and un-used starting with the FY 2011-12 appropriation.

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. (2013). 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

FY 2015-16 Budget Request – Line Item Description

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 of funds back to the states that OSM had retained at the federal office since 1980. These set-aside funds are 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 FTE. All FTE in the program are shown in the Long Bill although the costs of 7.0-11.0 FTE are annually charged to the non-appropriated project funds that are not shown in the Long Bill; therefore, those 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/environmental problems associated with past mining operations. The federal OSM grant funds described above are not allowed to be spent on water quality/environmental problems; therefore, severance tax revenue was considered an appropriate funding source to resolve these issues because a portion of the mining industry pays severance taxes. 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 costs to manage the grant distribution process and to provide their expertise in project management. The total line amount fluctuates annually per personal services common policies. The line also includes \$30,000 of re-appropriated funds which was intended to show cost-share funds transferred from the Colorado Dept of Public Health and Environment (CDPHE). The Inactive Mines statutes provide blanket spending authority to accept CDPHE and other types of funds [Section 34-33-133 (2) (a), C.R.S.(2013)]; therefore, this specific \$30,000 appropriation has not been utilized. Each annual appropriation is allowed to be spent over three fiscal years to accommodate high elevation historic mine sites and contracting/construction timeframes (see footnote in the Long Bill).

Reclamation of Forfeited Mine Sites

The Reclamation of Forfeited Mine Sites appropriation originated in FY2007-08 to support reclamation at “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. Numerous mine permits addressed with these funds were established prior to 1993

FY 2015-16 Budget Request – Line Item Description

when bond amounts were statutorily capped at approximately \$5,000 per site and did not reflect the true cost of reclamation at the site, nor allow the bond amount to be adjusted over time to reflect inflationary costs to perform the reclamation. Ninety-five percent of a forfeited bond amount on metal and construction materials permits and 100% on coal permits is “forfeited” to the state for use in reclaiming these sites where the operator has faced bankruptcy or was unable to complete the reclamation for other reasons. 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 their legislative or budgetary intent; therefore severance taxes were considered a legitimate funding source to finalize reclamation.

The initial inventory list used to request these funds totaled \$1,710,000. The following describes the steps taken to obtain severance tax funds to cover these obligations: was approved in annual increments of \$342,000 over five fiscal years. Each increment is allowed to be spent over a three fiscal years to accommodate contracting and construction timeframes (see footnote in the Long Bill). This spending authority was adjusted per the following budgetary actions:

- FY 2007-08 – An initial amount of \$342,000 was approved to address a portion of the \$1.7 million list of unreclaimed forfeited sites. The funds were allowed to be spent over 3 state fiscal years to accommodate contracting and construction timeframes.
- FY 2008-09 - The initial amount of \$342,000 was formally extended to allow the same amount to be appropriated in four additional fiscal years (fiscal years authorize were FY2007-08 through FY2011-12), with each having a three-year spending cycle. This five year appropriation is documented in the FY2008-09 Figure Setting document.
- In FY2009-10, the funding amount was reduced to \$171,000 for budget balancing purposes in Tier I of the Operational Account of the Severance Tax Trust Fund. This reduced amount requires additional fiscal years to address the initial \$1.7 million reclamation inventory, as shown in Table 1 below.

FY 2015-16 Budget Request – Line Item Description

TABLE 1					
Fiscal Year	\$342,000 Increments	\$342,000 Increments – 3-year spending cycles		\$171,000 Increments Authorized After FY 2008-09	\$171,000 Increments – 3-year spending cycles
FY 2007-08	\$342,000	FY08-FY10		\$342,000	FY08-FY10
FY 2008-09	\$342,000	FY09-FY11		\$342,000	FY09-FY11
FY 2009-10	\$342,000	FY10-FY12		\$171,000	FY10-FY12
FY 2010-11	\$342,000	FY12-FY14		\$171,000	FY11-FY13
FY 2011-12				\$171,000	FY12-FY14
FY 2012-13				\$171,000	FY13-FY15
FY 2013-14				\$171,000	FY14-FY16
FY 2014-15				\$171,000	FY15-FY17
Total Funding	\$1,710,000			\$1,710,000	

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 funding 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 a variety of abandoned mine sites. 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 common policies and was \$99,850 in FY 2012-13.

In FY 2013-14, Change Request R-5 authorized a one-year transfer of the \$99,850 normally appropriated on this line to the (C) Minerals line to support an e-permitting development project. The 0.2 FTE on this line were transferred to the (B) Inactive Mines line as those staff continue to work on abandoned mine safeguarding projects covered under other funding sources. Both the funds and the FTE will be restored to the Abandoned Mine Safety line in FY 2014-15.

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 (FY2011-13 for FY2014-15 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 were 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 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 due to economic suppression of general fund revenue. 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 46 percent of the Long Bill line (see letter notation) and allows the program to pace the frequency of increasing fee rates to every 5-7 years. 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 in the Long Bill.

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

FY 2015-16 Budget Request – Line Item Description

new FTE was needed to cover an expanding workload due to new oil shale leases provided through the federal Energy Policy Act of 2005, plus a projected increase in uranium permit reactivation and increasing need for construction materials related to the growth in energy industries in western Colorado (only the energy industry growth actually occurred out of these projected events). 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 were removed the following fiscal year, leaving the current level of 24.1 FTE.

For FY 2013-14, a one-year transfer of \$99,850 in severance tax funding from the Abandoned Mine Safety line [under (B) Inactive Mines] was appropriated to the Minerals line to support an e-permitting development project. The amount that was transferred is eligible to be spent over two fiscal years per a footnote in the Long Bill. The original appropriation will be restored back to the Abandoned Mine Safety line in FY 2014-15.

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 (FY2012-13 for FY2014-15 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 and contractors, 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:

FY 2015-16 Budget Request – Line Item Description

Financing – Cash Fee Revenue: Fee revenue is designated in the Long Bill currently at \$9,940 and aligns to fee collections in the program. The fund balance from fee revenue is reviewed annually to ensure it remains in compliance with SB98-194 and will be incorporated as revenue for centrally appropriated POTs allocations as needed.

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 funded with cash funds/severance tax. Until FY 2013-14, 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. In FY 2013-14, the federal grant from the U.S. Department of Labor was reduced by approximately 65% to \$74,556 from \$210,406. This presents challenges in maintaining current FTE and functionality in the program for the future if the federal grant funds are not restored in the next federal fiscal year. The division is also investigating alternatives if the federal grant funds are not restored.

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 a test administrator position and of a program manager position, which are also funded from the Mine Safety Program line. 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 (FY2012-13 for FY2014-15 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.

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 disbursements of funds to control public health or environmental hazards during mine emergencies (bond funds on mine permits are not immediately available). 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. A mine site emergency requiring additional funding above \$25,000 would require an Emergency Supplement through the “1331” procedure.

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.

(4) OIL & GAS CONSERVATION COMMISSION (OGCC)

PROGRAM COSTS

The OGCC's Program Cost line funds the OGCC's personnel and operating expenses, including 93.4 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 50,000 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

FY 2015-16 Budget Request – Line Item Description

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 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: SPECIAL PURPOSE PROGRAMS – SNOWMOBILE PROGRAM

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

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 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.

FY 2015-16 Budget Request – Line Item Description

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 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

FY 2015-16 Budget Request – Line Item Description

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:

- 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.

FY 2015-16 Budget Request – Line Item Description

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 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.

(7) DIVISION OF WATER RESOURCES

(A) DIVISION OPERATIONS

WATER ADMINISTRATION

Water Administration consists of two sub-programs: administration of intrastate water rights and interstate compact enforcement. The process of allocating water to various water users is traditionally referred to as water rights administration. It is the statutory responsibility of DWR to verify: 1) stream diversions are per decree; 2) wells are operated in compliance with their decrees; 3) augmentation plans, or substitute water supply plans are replacing stream depletions; and 4) interstate compact flows are delivered to downstream states. This requires daily oversight of the water allocation system that distributes water to farmers, industries, municipalities, and all other water users. Through the administration of approximately 170,000 water rights through over 45,000 structures, DWR provides supervision and control of surface and ground water resources in Colorado. There are seven division offices located throughout the state, one in each major drainage basin; these division offices employ field staff, including water commissioners, who perform duties that contribute to water administration. Duties of the field staff include turning headgates to control water flow, collecting water use and/or diversion data, and enforcing decrees and water laws.

WELL INSPECTION

The Well Inspection Program is primarily focused on protecting the quality of groundwater in Colorado by licensing water well construction contractors and by enforcing existing rules and regulations. Groundwater is a drinking water source (potable supplies) for many households and municipalities. It is also extensively used for irrigation of crops for human consumption. Improper construction of wells can lead to aquifer contamination. The Well Inspection Program has two components: a staff of inspectors and a board which sets standards for construction and licensing. Therefore, this program sets and enforces minimum construction standards through approved permits and inspections for the construction, repair, plugging, sealing, and abandonment of all wells, test holes, monitoring and observation holes/wells, and dewatering wells. There are currently over 250,000 water wells in Colorado and over 6,000 oil and gas wells that require a water well permit by the Division of Water Resources (DWR).

The General Assembly created the State Board of Examiners of Water Well Construction and Pump Installation Contractors (Board) under DWR. The Board consists of five members, three appointed by the Governor; one member is the State Engineer or a representative designated by the State Engineer; and one representative is from the Colorado Department of Public Health and Environment. The Board is authorized to develop standards for construction to protect the aquifers and to license contractors for well construction. The Board is also authorized to enforce the rules and standards for well construction and pump installation. The State Engineer provides support staff for the Board and assists in the efficient and effective discharge of its duties and responsibilities. In 2003, the General Assembly passed Senate Bill 03-45 authorizing the creation of a well inspection program that is funded through a well permit application fee (Section 37-91-113, C.R.S.). Without such a program, there is little ability to locate substandard

constructions which could allow contamination of the aquifers. This inspection program, in conjunction with the Board, protects the groundwater aquifers in Colorado.

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.

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

FY 2015-16 Budget Request – Line Item Description

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.

(B) SPECIAL PURPOSE

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.

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.

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.

