COLORADO DEPARTMENT OF NATURAL RESOURCES
BUDGET REQUEST - FY 2020-21
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FY 2020-21 CHANGE REQUESTS

FY 2020-21 Summary of Change Requests

Schedule 10

Request Name	Interagency Review	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated	Federal
Non-Prioritized Request								
NP-01 OIT_FY21 Budget Request Package	No Other Agency Impact	No	$358,533	0	$91,841	$346,237	($81,389)	$1,844
NP-02 Annual Fleet Vehicle Request	Impacts DPA	No	$185,772	0	$17,478	$170,928	($1,936)	($698)
NP-03 Paid Parental Leave	Impacts DPA	No	$209,401	0	$31,979	$166,095	$6,163	$5,164
Subtotal Non-Prioritized Request			**$753,706**	**0**	**$141,298**	**$683,260**	**($77,162)**	**$6,310**
Prioritized Request								
R-01 Electronic Oil and Gas Filing System	Requires OIT Approval	No	$147,840	0	$0	$147,840	$0	$0
R-02 Improve Public Safety Through Avalanche Forecasting	No Other Agency Impact	No	$337,697	3.0	$0	$337,697	$0	$0
R-03 South Platte River Water Accounting Coordinator	No Other Agency Impact	No	$96,309	1.0	$96,309	$0	$0	$0
R-04 Accounting and Procurement Support Staff	No Other Agency Impact	No	$288,323	3.0	$0	$0	$288,323	$0
R-05 True-up of Orphaned Well and Emergency Spending Auth	No Other Agency Impact	No	($1,761,000)	0	$0	($1,761,000)	$0	$0
R-06 Legal Services for Open Records Requests	Impacts Other Agency	No	$191,880	0	$0	$191,880	$0	$0
R-07 Water Conservation Specialist	No Other Agency Impact	No	$116,524	1.0	$0	$116,524	$0	$0
R-08 Watershed and Flood Protection Specialist	No Other Agency Impact	No	$0	1.0	$0	$0	$0	$0
R-09 Optimizing Inactive Mines Program Spending Authority	No Other Agency Impact	Yes	$0	0	$0	$0	$0	$0
R-10 True-up of Coal Program Spending Authority	No Other Agency Impact	No	($164,500)	-1.0	$0	($34,545)	$0	($129,955)
R-11 Vehicle for Water Commissioner	No Other Agency Impact	No	$6,208	0	$6,208	$0	$0	$0
Subtotal Prioritized Request			**($740,719)**	**8.0**	**$102,517**	**($1,001,604)**	**$288,323**	**($129,955)**
Total for Department of Natural Resources			$12,987	8.0	$243,815	($318,344)	$211,161	($123,645)

Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-01 Electronic Oil and Gas Filing System

Dept. Approval By: Carly M Jacobs

OSPB Approval By:

	Supplemental FY 2019-20
	Budget Amendment FY 2020-21
x	**Change Request FY 2020-21**

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	Total	$14,395,585	$0	$14,486,416	$147,840	$35,640
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$2,441,650	$0	$3,001,285	$0	$0
	CF	$10,694,784	$0	$10,846,244	$147,840	$35,640
	RF	$1,126,216	$0	$509,311	$0	$0
	FF	$132,935	$0	$129,576	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Payments to OIT	Total	$14,395,585	$0	$14,486,416	$147,840	$35,640
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$2,441,650	$0	$3,001,285	$0	$0
	CF	$10,694,784	$0	$10,846,244	$147,840	$35,640
	RF	$1,126,216	$0	$509,311	$0	$0
	FF	$132,935	$0	$129,576	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Natural Resources Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Requires OIT Approval

Department Priority: R-01
Request Detail: Electronic Oil and Gas Filing System

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	**FY 2020-21**	**FY 2021-22**
Total Funds	**$83,710**	**$147,840**	**$35,640**
FTE	0.0	0.0	0.0
General Fund	$0	$0	$0
Cash Funds	$83,710	$147,840	$35,640
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

Summary of Request:

The Oil and Gas Conservation Commission (OGCC) requests $147,840 cash fund spending authority in FY 2020-21 for the development of an electronic filing system to manage hearing applications and the associated subscription fees. The one-time cost to develop the system is estimated to total $187,000 over two fiscal years, beginning in FY 2019-20. A fiscal year 2019-20 supplemental request will be submitted in January 2020 for the FY 2019-20 portion of the development cost and subscription fees. The project would commence on April 1, 2020 with a target completion of August 2020. As such, the OGCC expects to incur development costs of $74,800 and $112,200 in fiscal years 2019-20 and 2020-21, respectively. The OGCC would also incur an ongoing annual subscription fee of $35,640 starting April 1, 2020 on a prorated basis. The fee is paid to the Governor's Office of Information Technology (OIT) for staff licenses and ongoing support for the system.

This request is limited to the FY 2020-21 portion of the development cost, $112,200, and the FY 2020-21 subscription fee of $35,640, requiring a total increase of $147,840 cash funds in FY 2020-21. OGCC also requests that $35,640 be retained as spending authority in FY 2021-22 and thereafter for annual subscription costs. The source of funds for both system development and the subscription fee is the Oil and Gas Conservation and Environmental Response Fund.

Current Program:

The OGCC regulates the development and production of oil and gas in the state of Colorado in a manner that protects public health, safety, welfare, the environment, and wildlife resources. The OGCC seeks to serve, solicit participation from, and maintain working relationships with all those having an interest in the regulation of Colorado's oil and gas natural resources.

As part of these responsibilities, the OGCC conducts twelve regularly scheduled hearings per year, and more as needed for matters such as rulemaking. The Hearings Unit reviews and processes all applications for Commission orders, contested matters, rulemaking hearings, and enforcement matters.

The Hearings Unit includes an adjudicatory team comprised of hearing officers. The hearing officers review, process, prepare for hearings and recommend decisions on all hearing applications filed with the OGCC.

Problem or Opportunity:

In an effort to improve customer service, the Hearings Unit has identified the need to implement an electronic filing system for the receipt and management of hearing applications. While there is nothing inherently wrong with the OGCC's current application intake process, it is labor intensive, slow, prone to errors, and ill-suited for large volumes of documents. In calendar years 2016, 2017, and 2018, the Hearings Unit received approximately 473, 885, and 1,000 hearing applications, respectively. With an average of 13 documents associated with every application, the OGCC received a total of about 30,000 documents over that three-year time period. Each application consists of the application itself, supporting testimony, and often various written requests for relief. Requested relief can include: motions to dismiss, motions to intervene, motions to strike a portion of someone's pleading, exceptions to the hearing officer's order, and a variety of other motions that frequently are filed in the course of a protested application. The applications can be complex and can involve numerous parties to the application, including members of the public.

Prior to December 2018, all hearing applications were submitted on paper. With the increased number of applications and the volume of documents filed with each one, it was necessary to, at the minimum, transition from a paper filing system to an email system. Since December 2018, the OGCC has required that all applications and supporting documents be sent to a general email address. While this is an improvement over paper filing, a program assistant must still spend approximately 80% of their time processing these documents, due to the sheer volume, leaving little time for other responsibilities. Processing the documents entails the following:

- assigning a docket number to the application;
- creating an electronic file for that docket in the OGCC's internal document management system;
- routing all subsequent documents filed in that docket to the internal document management system electronic file;
- preparing all documents filed for publication on the OGCC's website;
- preparing all documents filed for hearing officer processing and review;
- preparing all documents filed for Commissioner review and consideration; and
- preparing final orders for posting on the OGCC's website.

This document processing takes considerable time, and frequently causes a delay in transmitting the application and supporting documentation to the hearing officer. OGCC staff estimates that it takes an average of two days for documents to move from Point A (program assistant) to Point B (hearing officer). Such a delay can result in untimely responses by hearing officers and confusion on the part of the public. For instance, in a recent rulemaking proceeding parties were required to file responses to a request by a certain day and time. Due to the sheer number of parties to the rulemaking – 99 – it was impossible for the hearing assistant to process all of the required filings in a timely manner. The delay in processing resulted in the hearing officer's initial order to the parties being delayed, which caused confusion and consternation to many of the parties.

In addition to the time spent by the program assistant on document processing, hearing officers estimate they spend 30% of their time on file management due to the lack of applicants' adherence to the OGCC's file naming conventions, the number of follow-up documents submitted directly to the assigned hearing officer by the operators' attorneys, forwarding documents sent to the wrong hearing officer, addressing occasional filing mistakes, and so forth. Even the Hearings Unit manager spends approximately 5% of their time hunting for information that would be readily available in a fully electronic system.

An electronic filing system would automatically result in consistent file names and file management, as well as track deadlines set by OGCC rules and case management orders. Instead of the OGCC relying on industry attorneys and the public to follow naming conventions, such as Operator Name, Lands, Type of Application, in that order, the system would organize the information based on controlled input into required data fields. Currently, when documents arrive with file naming problems, the program assistant can rename them herself if the information provided allows her to do that, seek help from hearing officers in regards to how a document should be filed, or just file them away in folders she believes are appropriate. Inconsistent file names, even if placed in the correct folder, lead to documents getting overlooked in searches. Furthermore, many of the supporting documents to an application are not readily available for posting on-line for the public to review. Because the hearings assistant must manually process every document submitted, there is a significant delay in making documents available on the OGCC's website. This makes it difficult for all stakeholders to be fully informed and participate to the fullest extent possible in the hearings process.

The OGCC has provided temporary staffing to assist with the program assistant's administrative workload, but has resisted the temptation to request permanent administrative support and more hearing officers until the benefits of an electronic system are fully realized, even though the growth in workload and the backlog of hearing matters could be used to justify additional staffing.

Proposed Solution:

The OGCC proposes the development of an electronic filing system. Such a system would ensure proper case management, efficient use of employee and technological resources, and, most importantly, stakeholders' full and timely access to information, allowing them to participate in the hearings process to the fullest extent possible.

Originally, the OGCC had expected to develop and maintain an electronic filing system using current employee resources and technology. However, in April 2019 staff recognized that this potential solution was not feasible and started analyzing alternatives. After consulting with OIT and several software vendors, OGCC concluded that the best solution would be to utilize the services of Hyland Software, Inc., an OIT enterprise vendor.

Timeline:

OIT will oversee the design, development, and implementation of the system scheduled for April through August 2020, thus spreading the estimated one-time cost of $187,000 over fiscal years 2019-20 and 2020-21. The annual subscription fee of $35,640, paid to OIT on a prorated basis starting April 1, includes individual staff licenses, technical support, guaranteed scalability, annual application upgrades, unlimited document storage, and training.

The OGCC expects to have the new system up and running by September 1, 2020, soon after the start of the five-member professional commission required by SB 19-181. Without an electronic filing system, the hearings assistant would continue processing the hearing applications for hearing officers plus all documents filed in connection with the professional commission.

Cost-Benefit Analysis:

Assuming all electronic filing systems require some level of attention after implementation, the OGCC estimates that the program assistant's role in document processing would be reduced from the current 80% of her time to about 5% of her time, for a net gain of 75% of her time.

The OGCC expects even greater reductions, percentage-wise, for the hearing officers and hearings manager. Their time spent on file management issues would likely decline to about 1% and 0%, respectively.

Table 1 below shows the methodology used to estimate the annual time savings:

Table 1:

		Pre-Electronic Filing System		Post-Electronic Filing System	
Position	**Total Direct & Indirect Costs per FTE**	**% FTE time spent on document processing & management**	**Cost of FTE time**	**% FTE time spent on document processing & management**	**Cost of FTE time**
Program Assistant	$89,821	80%	$71,856	5%	$4,491
Hearing Officer 1	$124,592	30%	$37,378	1%	$1,246
Hearing Officer 2	$124,592	30%	$37,378	1%	$1,246
Hearing Officer 3	$124,592	30%	$37,378	1%	$1,246
Hearings Supervisor	$143,558	30%	$43,067	1%	$1,436
Hearings Manager	$168,846	5%	$8,442	0%	$0
Totals			**$235,499**		**$9,664**
Annual FTE Savings					**$225,834**

Table 2 below demonstrates that if one-time costs, ongoing costs, and savings, in terms of FTE time, alone, are used for the cost-benefit analysis, the breakeven point would be reached in FY 2021-22. A net savings of nearly $1 million would be achieved by FY 2025-26.

Table 2:

	Fiscal Years							
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	
Estimated Costs & Savings	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**Totals**
Develop & Implement Electronic Filing System	$74,800	$112,200	$0	$0	$0	$0	$0	**$187,000**
Annual Subscription Fee	$8,910	$35,640	$35,640	$35,640	$35,640	$35,640	$35,640	**$222,750**
Annual FTE Savings (escalated at 3% per year)		($169,376)	($232,609)	($239,588)	($246,775)	($254,178)	($261,804)	**($1,404,330)**
Net Costs	$83,710	($21,536)	($196,969)	($203,948)	($211,135)	($218,538)	($226,164)	**($994,580)**

Note: Because FTE savings would not be realized until September 2020, only nine months, or 75%, of annual savings are included for FY 2020-21. FY 2021-22 FTE savings of $232,609 are 3% higher than the starting full annual savings of the $225,834 calculated in Table 1.

In addition to the eventual cost savings associated with FTE that the OGCC would not have to request, switching to an electronic filing system would benefit the public in a number of ways, including the following:

- More transparency (all documents would automatically be uploaded to the OGCC's website and made available to the public);
- Timely reviews and processing of applications, including protested cases that involve the public; and
- Timely reviews and handling of royalty disputes between operators and royalty owners.

These benefits would start accumulating immediately upon implementation.

No statutory changes are required to implement the proposed electronic filing system.

A fiscal year 2019-20 supplemental request will be submitted in January 2020 for the FY 2019-20 portion of the development cost, $74,800, and three months of FY 2019-20 subscription fees, $8,910, for a total cash fund request of $83,710.

Should the decision item be approved, OGCC requests increased spending authority in the amounts indicated above to the Department of Natural Resources Payments to OIT line item. Increases to this line item will facilitate payments to the Governor's Office of Information Technology for project development costs and for ongoing subscription costs through OIT's regular billing process. Costs specific to this project will be tracked with a unique code, making them identifiable for reporting purposes.

Anticipated Outcomes:

Because the OGCC's Hearings Unit operates like a court, it interviewed vendors who had already achieved success in improving the overall efficiency of state and local courts. The vendors provided results not only of statewide e-filing solutions for New Mexico, Minnesota, and Indiana but also of smaller entities such as the Denver City Attorney's office. The OGCC's anticipated outcomes, though smaller in scale, mirror the successes achieved by those court systems. These successes include:

- Improved efficiency;
- Reduction in errors;
- No more lost documents;
- The availability of all files at all times, from any location;
- Improvement in the quality of customer service and confidence in work products;
- Significant reduction in paper;
- Standardization of practices; and, most importantly;
- **Public access to information**

More specifically, the Denver District Attorney's office reported:

- Saving 200 hours annually from not having to physically go to the Denver Police Department and Court for paper files;
- Saving 5,368 hours annually in searching for files;
- Saving 4,839 hours annually in prepping files.

The time savings listed above generated an estimated cost savings of $516,350 in 2009. But far more was accomplished by moving from a paper system to an electronic system. The office reported a decrease in case dismissal rates, an increase in conviction rates, an increase in the amount of time lawyers spent with victims and witnesses, improved performance management of staff, due to the system's dashboard reporting system, automated delivery of discovery information to defense attorneys, and more.

The OGCC will evaluate the success of its electronic filing system by tracking the time it takes to move documents from Point A to Point B, by monitoring public complaints related to lack of transparency, and by significantly reducing the backlog of hearing applications, which currently stands at 369 applications. Softer, less measurable outcomes will also be looked for, such as reduced frustration of hearings unit staff and an improved sense of accomplishment and professionalism. Most OGCC hearing officers are attorneys whose previous experiences include highly automated electronic filing systems, and such a system has been discussed internally but not acted upon for years due to other division priorities and workload. Consequently, the OGCC has fallen so far behind in this arena, staff is expecting a transition that likens the switch from the old all-paper mail system to email, and all the efficiencies and speed that came with that change.

Assumptions and Calculations:

Monthly salaries used for the cost benefit analysis above are as follows:

Program Assistant	$5,000
Hearing Officer 1	$7,200
Hearing Officer 2	$7,200
Hearing Officer 3	$7,200
Hearings Supervisor	$8,400
Hearings Manager	$10,000

COLORADO
Governor's Office of Information Technology

6/25/2019

Lauren Larson
Director
Office of State Planning and Budgeting
111 State Capitol
Denver, Colorado 80203

RE: FY 2020-21 IT Operating Request - DNR Electronic Filing System for OGCC's Hearings Unit

Dear Director Larson:

Pursuant to OSPB instructions, this letter is to confirm that the Office of Information Technology (OIT) has reviewed and approved the submission of this proposed FY 2020-21 IT Operating Request for the Department of Natural Resources titled, Electronic Filing System for OGCC's Hearings Unit. OIT has completed an internal review to ensure the project aligns with statewide IT goals and determined that OIT has the capacity to deliver and meet the requirements of the project. In addition, this review has included ensuring that this project has been included in the agency's Five Year IT Roadmap.

Sincerely,

Patricia Nord
Patricia Nord, OIT Budget Director

Marie Langhorn
Marie Langhorn, OIT IT Director

STATE OF COLORADO 1876

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Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-02 Improve Public Safety Through Avalanche Forecasting

Dept. Approval By: Carly M Jacobs

OSPB Approval By:

___	Supplemental FY 2019-20
___	Budget Amendment FY 2020-21
x	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	Total	$34,193,733	$0	$36,030,020	$337,697	$297,475
	FTE	11.3	0.0	11.3	3.0	3.0
	GF	$5,417,599	$0	$5,682,664	$0	$0
	CF	$26,719,167	$0	$28,212,066	$337,697	$297,475
	RF	$1,362,223	$0	$1,380,750	$0	$0
	FF	$694,744	$0	$754,540	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Health, Life, And Dental	Total	$16,667,226	$0	$18,111,372	$30,126	$30,126
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$3,239,669	$0	$3,481,030	$0	$0
	CF	$12,782,471	$0	$13,953,030	$30,126	$30,126
	RF	$312,561	$0	$304,377	$0	$0
	FF	$332,525	$0	$372,935	$0	$0
01. Executive Director's Office, (A) Administration, (1) Administration - Short-Term Disability	Total	$179,974	$0	$186,465	$336	$336
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$28,127	$0	$31,701	$0	$0
	CF	$142,236	$0	$144,166	$336	$336
	RF	$5,306	$0	$5,829	$0	$0
	FF	$4,305	$0	$4,769	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Amortization Equalization Disbursement	Total	**$5,976,962**	**$0**	**$6,146,455**	**$9,869**	**$9,869**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$927,662	$0	$937,727	$0	$0
	CF	$4,732,346	$0	$4,876,585	$9,869	$9,869
	RF	$174,989	$0	$180,717	$0	$0
	FF	$141,965	$0	$151,426	$0	$0
01. Executive Director's Office, (A) Administration, (1) Administration - Supplemental Amortization Equalization Disbursement	Total	**$5,976,962**	**$0**	**$6,146,455**	**$9,869**	**$9,869**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$927,662	$0	$937,727	$0	$0
	CF	$4,732,346	$0	$4,876,585	$9,869	$9,869
	RF	$174,989	$0	$180,717	$0	$0
	FF	$141,965	$0	$151,426	$0	$0
01. Executive Director's Office, (A) Administration, (1) Administration - Vehicle Lease Payments	Total	**$4,244,598**	**$0**	**$4,261,798**	**$3,263**	**$9,790**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$294,479	$0	$294,479	$0	$0
	CF	$3,851,667	$0	$3,868,867	$3,263	$9,790
	RF	$43,439	$0	$43,439	$0	$0
	FF	$55,013	$0	$55,013	$0	$0
01. Executive Director's Office, (B) Special Programs, (1) Special Programs - Colorado Avalanche Information Center Program Costs	Total	**$1,148,011**	**$0**	**$1,177,475**	**$284,234**	**$237,485**
	FTE	11.3	0.0	11.3	3.0	3.0
	GF	$0	$0	$0	$0	$0
	CF	$478,101	$0	$492,833	$284,234	$237,485
	RF	$650,939	$0	$665,671	$0	$0
	FF	$18,971	$0	$18,971	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Natural Resources Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department Priority: R-02
Request Detail: Improve Public Safety Through Avalanche Forecasting

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	**FY 2020-21**	**FY 2021-22**
Total Funds	**$0**	**$337,697**	**$297,475**
FTE	0.0	3.0	3.0
General Fund	$0	$0	$0
Cash Funds	$0	$337,697	$297,475
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

Summary of Request:

The Department of Natural Resources requests an increase of $337,697 from the Severance Tax Operational Fund and 3.0 FTE for the Colorado Avalanche Information Center (CAIC or Center) in FY 2020-21 to improve public safety for recreationalists and the traveling public. The requested increase includes 3.0 backcountry avalanche forecasters (Physical Science Researcher/Scientist II) and 3 vehicles appropriate for winter mountain travel conditions. The request will allow the Center to: address the increasing need for avalanche forecasts; provide backcountry avalanche forecasters to the northern, central and southern mountains year-round; and provide necessary training to citizens and visitors recreating in Colorado, state agencies, local governments, and private sector groups. It will allow the Center to strategically assign employees with the appropriate skills and experience between highway operations and backcountry operations as weather conditions require. The Center will use the 3.0 FTEs for critical tasks that require a high degree of knowledge of local terrain, weather and avalanche history. These staff will also be used to build and maintain relationships with local government groups, local businesses, and interested groups.

Current Program:

The Colorado Avalanche Information Center is a program within the Colorado Department of Natural Resources (DNR), Executive Director's Office. The CAIC is a partnership between the DNR, the Colorado Department of Transportation (CDOT), and the Friends of the CAIC a 501c3 group. The CAIC's mission is to provide avalanche information, education to the public and industry groups, and promote research for the protection of life, property and the enhancement of the state's economy. The CAIC monitors 30 highway sections in the state transportation system that are threatened by 522 avalanche paths (278 of which require regular hazard mitigation), and issues backcountry avalanche forecasts for 10 zones that collectively comprise over 28,000 square miles of mountainous terrain. Through its education and forecasting efforts, the Center reduces avalanche risk to highway travelers, CDOT highway workers, mountain recreationalists, and avalanche professionals.

The CAIC currently has a staff of 21; including a director, deputy director, administrator, technical specialist, and 17 avalanche forecasters. Given the part-time nature of most of the employees, the staff of 21 translates to 11.3 FTE. Forecaster's work duties vary, but in general their work involves data collection, data analysis, communicating weather and avalanche conditions, and avalanche safety training. Each forecaster has a primary area of responsibility, either a specific road section or set of backcountry zones. In this regard, the CAIC is broken down into two programs: the highway avalanche safety program and the backcountry avalanche safety program. The CAIC has 3.5 permanent and 6 temporary staff (3.2 FTE) in its backcountry program and 8 permanent and 0 temporary staff (5.8 FTE) in its highway program.

The CAIC's operating budget for FY 2019-20 includes $650,939 in reappropriated funds, $478,101 in cash funds, and $18,971 in federal funds. The CAIC receives $200,000 annually from the Friends of the CAIC to support four of the six temporary staff positions. As the number of people traveling the state and federal highways during winter months and participation in winter recreation increases, so has the work load of the CAIC staff and the complexity of those tasks. The increased demand comes from the general public, CDOT, and other government groups. To address the needs of these groups, the Center proposes to increase the size of its permanent staff to provide better service statewide.

Background

The CAIC has undergone two recent substantive reviews of its operations. The first occurred in 2014 as part of a larger review of the entire CDOT avalanche safety program after one CDOT employee and one CAIC employee were injured in an accident involving an explosive delivery system used for avalanche hazard mitigation. The second occurred in 2013 and was a three-year review commissioned by the CAIC to evaluate its safety, internal communication, and forecasting procedures as compared to industry standards and best practices for avalanche operations in North America. While both reviews highlighted strengths of the CAIC, they also identified insufficient staffing as the most critical area of improvement.

Specifically, the review commissioned by the CAIC described it as "thinly staffed" with few options if a forecaster became injured or sick. It found that the highway program had enough staff to monitor and evaluate avalanche areas above highways, but not enough to respond to multiple locations when large winter storms increase the avalanche danger over broad areas. It also found that the CAIC's backcountry program had the second-to-lowest ratio of forecasters per square mile of backcountry terrain as compared to regional avalanche centers across the United States. The review identified the Center's reliance on temporary staff to forecast for backcountry areas and the challenges they face covering very large areas and maintaining local relationships as critical areas for improvement. The Center has examined the retention rates of people in temporary staff positions. The average tenure of the temporary staff has been decreasing over time and is currently 2.5 seasons. This has increased the demand for experienced permanent staff to guide the less experienced temporary staff, help other state and local government groups manage the avalanche risk, and maintain these important relationships.

To address the concerns raised in the reviews, the CAIC developed a plan to shift away from a staffing structure where forecasters only work on highway or backcountry programs, and establish a core group of permanent forecasters with enough expertise to move between both programs based on need. This requires enough permanent staff in the backcountry program with knowledge of highway operations and that are close enough to respond. The Center would shift its work force to highways when large storms increase the avalanche hazard in multiple road corridors at the same time. The Center would disperse forecasters over a larger area to collect data in the right place at the right time once the hazard is reduced along the highways but the pattern is more complex in the vast backcountry areas. This would allow the CAIC to be strategic and maximize efficiency for both backcountry and highway operations, but this plan requires permanent employees with local knowledge and experience spread throughout the state.

Problem or Opportunity:

The Center has implemented some changes in response to the two CAIC program reviews, most of which benefited the highway program; however, not all recommendations resulting from the CAIC programs reviews have been implemented. The Center is now focused on more fully staffing the backcountry program and implementing the flexible staffing plan. There are a number of problems that will need to be addressed including the following: 1) not enough experienced employees to implement the flexible staffing plan; 2) not enough employees to cover the backcountry program; 3) insufficient staff to provide comprehensive avalanche forecasts during the early and late avalanche season; and 4) there is one temporary staff person in the CAIC’s main office in Boulder that is responsible for permanent position job duties with less overall compensation.

1. Flexible Staffing Plan

The flexible staffing plan cannot be fully implemented without additional permanent backcountry positions because the CAIC does not currently have enough forecasters with the level of experience required to make public safety decisions for highway operations.

Providing information on the avalanche potential across 30 highway sections and 28,000 square miles is a complicated problem and the Center is unable to allocate resources across this large geographical area with the current number of forecasters. The CAIC's innovative solution is the flexible staffing plan which allows forecasters to be deployed where they are needed, but is only effective if there are enough permanent staff in both highway and backcountry programs to implement it properly. Because there are not enough experienced permanent forecasters on the backcountry program, the CAIC continues to struggle to place the forecasters with the right level of knowledge and experience to ensure a high level of public safety. The Center has been able to build and retain experienced staff in the permanent positions focused on the highway program, but lacks permanent positions on the backcountry program. The requested forecasters will be able to cover specific highways when the avalanche danger rises across broad areas and guide temporary staff to maintain backcountry operations. When the immediate threat to the highway system subsides, the requested forecasters will be able to focus on backcountry operations.

The work performed by the requested 3.0 FTE forecasting positions cannot be done by temporary staff. Temporary staff are typically unequipped to make the shift to highway forecasting because of the high level of local and operational knowledge required. The avalanche paths in many of the highway sections run less than once a year, therefore, it takes several years to gain experience with the weather patterns that produce these events and understand how the debris impacts the highway. On average, temporary staff work in the CAIC for 2.5 seasons. The Center has tried to use a temporary staff person in the main office in Boulder, but has been unable to retain people in this position for more than two seasons. This office provides all of the weather forecasting for the highway and backcountry avalanche forecasts. It runs the morning coordination discussion and builds the backcountry forecast framework each day. Temporary staff struggle to perform these critical tasks and often need support for most of their first avalanche season.

Another problem with the low staffing levels is the lack of backup for positions that become unexpectedly vacant due to illness, injury, or other unforeseen circumstances. Currently the only people available to backup permanent staff are CAIC management or temporary staff. This is only sufficient for short periods of time or periods where critical decisions do not have to be made. Even without major absences of staff, the CAIC's permanent (overtime exempt) staff worked an average of 143 hours of overtime each month during the November 2016 to April 2017 operational season. This creates a problem as existing staff cannot absorb this additional workload if a forecaster is out of work for a period of time.

2. Backcountry Program

The CAIC has fewer staff for backcountry operations than other similar programs in the United States. This presents a number of safety concerns to the CAIC and the public. The average area that a CAIC backcountry forecaster covers is 3,043 square miles; this is approximately 5 times more per forecaster than the average area covered in comparable avalanche safety programs. The U.S. Department of Agriculture Forest Service has 11 avalanche safety programs that produce regional avalanche forecasts for recreation. The average area that a single forecaster covers across 10 of these programs is 601 square miles (one avalanche center was removed as an outlier because it has an unusually small area/forecaster ratio).

The backcountry forecast areas are too large for a single forecaster to collect adequate field data to assess the avalanche hazard over the entire area. Thus, forecasters rely on data and information from other avalanche safety groups such as ski patrols and mountain guides to augment their own observations. Information sharing with nearest neighbors is common practice in the avalanche industry and improves avalanche hazard assessment by increasing the spatial coverage of data. Information and data sharing is most effective and forthcoming when CAIC staff cultivates personal relationships with other avalanche safety operations over time. Relationships with people in specific roles and areas mean they will call the forecaster when they see avalanches, and more importantly when they need help with one. These relationships are difficult to maintain with temporary staff given the high rate of turnover in temporary positions.

Temporary forecasters typically do not return for enough avalanche season to acquire the knowledge of the people, places, weather, and avalanche cycles in the areas they cover. Avalanche cycles that produce very large avalanches typically include relatively few avalanches spread out over a large area. Data sharing is extremely important in determining if an avalanche is an isolated event or part of a larger cycle. For example, a cycle of very large and destructive avalanches in 2013 contained 28 avalanches over 3 months that released in the Center's Front Range, Vail/Summit County, Sawatch, and Gunnison forecast zones. These avalanches killed 7 people in 3 accidents. There were multiple events where people were caught in avalanches including a slide that caught 15 people at the Arapahoe Basin Ski area. This type of avalanche cycle occurs at a regional scale. Individual ski areas or backcountry guiding groups may, at most, only see one or two of these events in their operating area. The CAIC predicts and warns people about these events and collecting and distributing information about actual avalanches is critical to this process.

Temporary forecasters rely on more experienced forecasters for guidance on everything from the wind direction that produces the most snowfall in a specific location, to who to call to find out about an ongoing rescue. This system works well as long as there are enough experienced permanent forecasters to work with the temporary staff, but there are only 3.5 permanent positions (3.2 FTE) dedicated to backcountry operations as opposed to 8 (5.8 FTE) for highway operations. It is also very labor intensive for permanent staff to train new forecasters. In addition to their regular work, permanent forecasters typically write or review additional forecasts for the first three months of a temporary staff's first operational season. New forecasters conduct field work with senior staff for several months before they can travel in avalanche terrain on their own. This both increases the workload of permanent staff and reduces the total number of observations they can collect while training new employees.

The Center does not have enough permanent staff in its backcountry operations with the level of institutional knowledge and expertise to effectively use temporary staff to cover the Colorado mountains at similar levels used in other parts of the United States.

3. Early and Late Season Coverage

The CAIC has severely limited statewide avalanche information coverage outside of the most active part of the avalanche season. For purposes of assigning staff to ensure avalanche safety coverage statewide, the CAIC divides the mountainous terrain into 3 regions: the southern mountains, the central mountains and the northern mountains. The CAIC's main office and the only office that is open daily is located in Boulder and is considered part of the northern mountain region. The CAIC employs more staff during the active avalanche season which runs from November 1 to April 30 each year. However, avalanche hazards can, and often do, spike before and after this period. This leaves only a skeleton crew of 4 forecasters to contend with forecasting for early fall and late spring avalanche cycles. Of the 4 forecasters, 2 support highway maintenance operations on Independence Pass in the central mountains and 2 cover backcountry program forecasts statewide out of the main CAIC office in the northern mountains region. There are no backcountry forecasters dedicated to the central and southern mountains from May 1 to November 1. Although late-season activity depends on spring storm cycles, central and southern mountains have a long history of avalanche accidents that extends from present day back into the late 1800s. Since 2000, the central and southern mountain regions accounted for nearly 75% of the avalanche accidents in Colorado and over 18% of these accidents occurred outside of the active avalanche season.

Without forecasters in these areas to observe avalanche activity, risks to the public and recreationalist increase. During these periods, data collection is done remotely, making it very difficult to anticipate avalanche cycles and warn people about avalanche danger in the late spring and early fall. Making direct, onsite observations is critical to providing quality avalanche forecasts. In addition, supporting search and rescue efforts also has to be done remotely and the Center's staff could be delayed a day or more if they need to travel to the site of an early or late season incident.

In some cases the southern mountains are understaffed even during the active avalanche season. For example, the Sangre de Cristo range located in the southern mountains region contains ten of the state's peaks over

14,000 feet high and is a popular area for backcountry recreation. Due to their remote location and wilderness designation, there are no ski areas or operations making regular manual observations and only two automated weather stations in the mountain range (both in low-elevation areas outside of the wilderness area boundary). During the last two active avalanche seasons the Center did not have enough data to issue an avalanche danger rating nearly 40% of the time and could only provide a general estimate of the avalanche potential. Adding more dedicated permanent staff to the central and southern mountains will improve the quantity and quality of public safety information available to the public. This addition will also allow existing staff to increase coverage in other data-sparse portions of the northern mountain like areas accessed off groomed snowmobile trails in the Flat Tops Mountains of Routt, Rio Blanco, Garfield, and Eagle counties.

4. Inequitable Treatment of Staff

Due to the Center not having enough permanent staff it has been relying on a temporary staff person as one of the forecasters in the main office in Boulder. This office is located in the National Weather Service's Weather Forecast Office. It is the only CAIC office that is staffed daily as employees in other work locations spend part of each day in the field. It serves as a hub for the CAIC's operations, a base for the most technical work the Center does, and the first point of contact for the public and government groups reaching out for help or information. In practice, using a temporary staff person in this role at the Boulder office does not work. The combination of demanding work and the difference in compensation between the permanent and temporary staff have made it difficult to retain a qualified person in this temporary position. Temporary staff are not eligible for a number of benefits provided to permanent employees, including: (1) retirement benefits; (2) health, life, and dental benefits; and (3) paid leave. As a result, this position turns over every few years. In addition to the unfairness to the employee in this temporary position (who receives total compensation significantly less even though the position does similar work to the permanent positions), the entire operation suffers when a temporary forecaster is in this role, because training a new person approximately every third season (which usually takes 3 months of a 7 month period) taxes the remaining permanent forecasters. In order to maintain an adequate level of quality, the forecasting staff in the Boulder office needs to be comprised entirely of permanent employees with compensation and stability that allows them to work in the CAIC for many years.

Proposed Solution:

In order to fully implement the flexible staffing plan, address the remaining issues identified in program reviews, provide statewide coverage during early and late avalanche season, and provide an equitable workplace for its employees, the CAIC requests an increase of $337,697 from the Severance Tax Operational Fund and the addition of 3.0 FTE for three permanent backcountry avalanche forecasters (Physical Science Researcher/Scientist II). One position will be located in the main CAIC office in Boulder supporting primarily the northern mountains, one in the central mountains, and one in the southern mountains. The request also includes three vehicles appropriate for traveling in the mountains in the winter and towing a set of snowmobiles, standard issue radios, special equipment necessary for avalanche forecasting and funding for required office space. If the requested 3.0 additional FTEs are implemented, the CAIC could transition to the recommended flexible staffing plan and provide comprehensive statewide coverage on avalanche risks.

Adding 3.0 FTE forecasters for backcountry operations will directly benefit both of the CAIC's major customers: the outdoor recreation community and CDOT.

- *Outdoor Recreation – Backcountry Forecasting*
  The three additional forecasters will allow the CAIC to maintain a minimal level of permanent staff throughout the Colorado mountains, increasing coverage during the operating season and providing backcountry coverage to regions that currently have no forecasters assigned outside of the active avalanche season. Permanent forecasters will also help maintain a high level of experience and institutional knowledge for backcountry operations, as well as develop long-term relationships with important community partners. Increased coverage and expertise will improve the quantity and quality of backcountry forecasts, making outdoor recreation safer for the public.

- *State Transportation System- Highway Forecasting and CDOT*
  While the requested forecasters would be primarily focused on backcountry operations, they would bring a level of continuity and experience to the CAIC staff that would improve avalanche forecasting services provided to CDOT. If the CAIC is able to fully implement the flexible work plan, it will have more forecasters qualified to work on highway operations as conditions require, especially during large storms that increase avalanche risk across a large number of road sections or when a highway forecaster is out sick. CAIC staff will be available to accompany CDOT staff on all avalanche hazard mitigation missions that reduce the chance of subsequent slides reaching the highway, and the additional qualified forecasters will be able to respond to avalanche incidents that occur on multiple road sections simultaneously. Overall, this will increase public safety along the state transportation system and reduce risk to highway travelers and CDOT highway workers.

Consequences if Not Approved

Colorado is famous for its mountains and people continue to visit and relocate to Colorado, in part, for the lifestyle and recreational opportunities living close to mountains brings. The CAIC works diligently to reduce the threat of avalanches to the people that live, work, and travel through the snow covered mountains. The Center has been chronically understaffed, but also relatively successful. However, as the number of people at risk to avalanches grows, the Center will become less effective at addressing the needs of industry, local governments, and recreationalists. It will be unable to consistently provide detailed information on avalanche conditions thereby creating increased safety concerns to recreationalists and the traveling public. It will not be able to warn people when dangerous avalanche conditions develop outside of its core operating season. It will not be able to respond to multiple highway sections during large storms, causing increased road closures or increased risk to CDOT crews and the traveling public. It will not be able to provide on-site assistance to search and rescue operations which will put emergency service workers and volunteers in dangerous situations, especially in counties that don’t have frequent interactions with avalanche rescue operations.

Anticipated Outcomes:

The CAIC will be able to maximize efficiency and capacity by adding permanent backcountry forecasters and implementing the flexible staffing plan. This additional staff will improve the function of the entire program by allowing the CAIC to deploy forecasters where they are needed most to reduce avalanche risk to the public and CDOT employees. Permanent backcountry forecasters will also be able to support temporary staff more effectively and ensure that they are deployed in a safe and appropriate manner with work duties that match their level of experience.

In terms of program outcomes, the CAIC is generally able to collect weather data from a wide array of public and private groups and automated observing systems, but information on the snowpack and avalanche activity must be collected in person. With the new permanent forecasters the CAIC anticipates that it will be able to make approximately 200 more field observations each season, which are vital to an accurate assessment of the avalanche potential. The additional data allow the CAIC to issue avalanche danger ratings more often for backcountry areas like the Sangre de Cristo range. It will also allow the CAIC to have staff in the northern, central, and southern mountains outside of the active avalanche season, allowing for more avalanche safety services for people heading to the high mountains during the off season.

The CAIC estimates that it will be able to teach 30 additional avalanche safety classes (approximately 900 to 1,500 additional student hours) and reach more people with avalanche safety information if the permanent forecasters are added. More people die in avalanches in Colorado than any other natural hazard and Colorado leads the nation in avalanche deaths. Avalanche safety training offered by the CAIC helps recreationalists stay out of avalanches.

Finally, the permanent forecasters will help increase the knowledge and level of experience for backcountry operations, and strengthen the collaborative relationships with local government and private groups. Institutional knowledge and reliable network contacts are directly related to quality and utility of forecasts and trainings the CAIC provides to its customers. Maintaining a skilled and experienced staff with local knowledge will improve the Center's ability to serve the CDOT, local governments, recreationalists and the traveling public.

Assumptions and Calculations:

Severance Tax Operational Fund Impact

The $337,697 cash funds appropriation for this request would be a core program appropriation from the Severance Tax Operational Fund (the Operational Fund), which is the primary source of funding for the CAIC backcountry program. The CAIC is established as a core program in Section 39-29-109.3, (1) (b.5), C.R.S., and is authorized to receive up to 5% of Severance Tax Operational Fund revenue in a given year. After accounting for the requested increase, the CAIC would account for 2.2% of available revenues projected for the Severance Tax Operational Fund in FY 2020-21, keeping the allocation below the statutory cap.

Providing additional core severance tax program funding to the CAIC may reduce the amount of funding that flows through to the Operational Fund's grant programs. Given the relatively small cost of this request and the anticipated improvements to both the CAIC's highway and backcountry programs, DNR believes this is both an appropriate and recommended use of the Operational Fund.

Personal Services ($271,965 per year including benefits)

This request assumes that the salary for the Physical Science Researcher/Scientist II job class is base minimum (biweekly salary of $2,530), plus the cost of associated compensation common policies.

Operating Expenses

Field and Safety Equipment

The table below details the first year costs of essential equipment needed for the requested 3.0 FTE and includes: airbag backpacks, radios, location tracking devices, transceivers, and clothing and safety equipment suitable for winter conditions. The total estimated field and safety equipment costs for FY 2020-21 is $18,540.

CAIC Field and Safety Equipment Estimated Costs	FTE	Estimated Costs Per FTE	FY 2020-21 Total Estimated Costs
Transceiver & InReach device	3.0	$600	$1,800
Collapsible Shovel	3.0	100	300
Collapsible Probe Pole	3.0	100	300
Airbag backpack	3.0	1,100	3,300
First aid kit	3.0	30	90
Hard Hat	3.0	20	60
Reflective Vest	3.0	20	60
Hearing Protection	3.0	60	180
Ice cleats	3.0	50	150
800 MHz Radio	3.0	2,600	7,800
Clothing suitable for avalanche conditions	3.0	1,500	4,500
Total Field and Safety Equipment Costs			$18,540

Vehicles

The estimated FY 2020-21 monthly lease rate is $272 for the type of four-wheel drive vehicles the CAIC needs for navigating mountainous terrain during the winter season. Each vehicle will require a light bar package, a radio and vehicles decals. The assumption is the requested vehicles would not arrive until the third quarter of FY 2020-21 so the request includes only four months of lease payments for the first year. The requested vehicles include twelve months of mileage charges for FY 2020-21, because the requested forecasters would use temporary vehicles until the new permanent vehicles were delivered. The mileage estimates are based on the annual average of 14,000 miles driven by current CAIC employees. The annual lease costs and annual variable costs were provided by the Department of Personnel and Administration (DPA) Fleet Operations as FY 2018-19 rates with instructions to add a 4.5 percent increase year-over-year to determine estimated costs. The total estimated vehicle costs are $30,233 for FY 2020-21 and $22,660 starting in FY 2021-22.

	Estimated Costs FY 2020-21				**Estimated Costs FY 2021-22**		
	FTE	**Costs per FTE**	**Monthly Cost**	**Total**	**FTE**	**Costs per FTE**	**Total**
Vehicle Lease	3.0	$3,263	$272	$3,263	3.0	$3,263	$9,790
Vehicle Operating Expenses	3.0	4,290	358	12,870	3.0	4,290	12,870
Light Bar Package	3.0	1,500		4,500			
Truck Radio	3.0	3,000		9,000			
Truck decals	3.0	200		600			
Total				$30,233			$22,660

FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

General Fund FTE -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE** to account for the pay-date shift (25/26 weeks of pay). **This applies to personal services costs only; operating costs are not subject to the pay-date shift.**

Expenditure Detail		FY 2020-21		FY 2021-22	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
Physical Science Researcher/Scientist II	$ 2,530.62	3.0	$197,388	3.0	$197,388
PERA			$21,515		$21,515
AED			$9,869		$9,869
SAED			$9,869		$9,869
Medicare			$2,862		$2,862
STD			$336		$336
Health-Life-Dental			$30,126		$30,126
Subtotal Position 1, #.# FTE		**3.0**	**$271,965**	**3.0**	**$271,965**
Classification Title	Biweekly Salary	FTE		FTE	
			$0		$0
PERA			$0		$0
AED			$0		$0
SAED			$0		$0
Medicare			$0		$0
STD			$0		$0
Health-Life-Dental			$0		$0
Subtotal Position 2, #.# FTE		**-**	**$0**	**-**	**$0**
Subtotal Personal Services		3.0	**$271,965**	3.0	**$271,965**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating Expenses	$500	3.0	$1,500	3.0	$1,500
Telephone Expenses	$450	3.0	$1,350	3.0	$1,350
PC, One-Time	$1,230	3.0	$3,690	-	
Office Furniture, One-Time	$3,473	3.0	$10,419	-	
Vehicles Estimated Lease		3.0	$3,263	3.0	$9,790
Vehicles Operating Expenses		3.0	$12,870	3.0	$12,870
Vehicle Equipment		3.0	$14,100	-	$0
Field and Safety Equipment		3.0	$18,540	-	$0
			$0	-	
			$0	-	
Subtotal Operating Expenses			**$65,732**		**$25,510**
TOTAL REQUEST		3.0	**$337,697**	3.0	**$297,475**
	General Fund:				
	Cash funds:	-	**$337,697**	-	**$297,475**
	Reappropriated Funds:				
	Federal Funds:				

Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-03 South Platte River Water Accounting Coordinator

Dept. Approval By: Carly M Jawley

OSPB Approval By:

___	Supplemental FY 2019-20
___	Budget Amendment FY 2020-21
X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	Total	$51,210,246	$0	$53,728,786	$96,309	$91,606
	FTE	247.0	0.0	247.0	1.0	1.0
	GF	$26,810,641	$0	$27,781,009	$96,309	$91,606
	CF	$23,111,000	$0	$24,595,581	$0	$0
	RF	$667,845	$0	$671,640	$0	$0
	FF	$620,760	$0	$680,556	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Health, Life, And Dental	Total	$16,667,226	$0	$18,111,372	$10,042	$10,042
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$3,239,669	$0	$3,481,030	$10,042	$10,042
	CF	$12,782,471	$0	$13,953,030	$0	$0
	RF	$312,561	$0	$304,377	$0	$0
	FF	$332,525	$0	$372,935	$0	$0
01. Executive Director's Office, (A) Administration, (1) Administration - Short-Term Disability	Total	$179,974	$0	$186,465	$112	$112
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$28,127	$0	$31,701	$112	$112
	CF	$142,236	$0	$144,166	$0	$0
	RF	$5,306	$0	$5,829	$0	$0
	FF	$4,305	$0	$4,769	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Amortization Equalization Disbursement	Total	$5,976,962	$0	$6,146,455	$3,290	$3,290
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$927,662	$0	$937,727	$3,290	$3,290
	CF	$4,732,346	$0	$4,876,585	$0	$0
	RF	$174,989	$0	$180,717	$0	$0
	FF	$141,965	$0	$151,426	$0	$0
01. Executive Director's Office, (A) Administration, (1) Administration - Supplemental Amortization Equalization Disbursement	Total	$5,976,962	$0	$6,146,455	$3,290	$3,290
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$927,662	$0	$937,727	$3,290	$3,290
	CF	$4,732,346	$0	$4,876,585	$0	$0
	RF	$174,989	$0	$180,717	$0	$0
	FF	$141,965	$0	$151,426	$0	$0
07. Water Resources Division, (A) Division Operations, (1) Division Operations - Water Administration	Total	$22,409,122	$0	$23,138,039	$79,575	$74,872
	FTE	247.0	0.0	247.0	1.0	1.0
	GF	$21,687,521	$0	$22,392,824	$79,575	$74,872
	CF	$721,601	$0	$745,215	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Natural Resources Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department Priority: R-03
Request Detail: South Platte River Water Accounting Coordinator

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	**FY 2020-21**	**FY 2021-22**
Total Funds	**$0**	**$96,309**	**$91,606**
FTE	0.0	1.0	1.0
General Fund	$0	$96,309	$91,606
Cash Funds	$0	$0	$0
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

Summary of Request:

The Division of Water Resources (DWR) requests an increase of $96,309 General Fund and 1.0 FTE for a Water Accounting Coordinator (Physical Sciences Researcher/Scientist II) in the South Platte River Basin starting in FY 2020-21. Ongoing costs will be $91,606 beginning in FY 2021-22.

In the South Platte River Basin, the complexity and number of water accounting duties has increased substantially over time, exceeding the capacity of current staff. This creates risk in the form of potential injury to water rights holders and noncompliance with compact agreements which could expose the state to future lawsuits. The requested water accounting coordinator will support DWR’s Division 1 (the Division) in addressing workload increases by administering water rights according to water court decrees, Substitute Water Supply Plans (SWSP), and compact agreements while maximizing the beneficial use of the state’s water resources.

Current Program:

DWR Division 1 is responsible for administering the South Platte River Basin (Basin) region in compliance with Colorado state statutes, decrees of the water court, and the region's four compact agreements. The South Platte River Basin includes the Metro Denver area along with other Front Range municipalities. Water administration requires DWR to ensure water is distributed equitably based on a priority system to maximize the beneficial use of that water while avoiding injury to any vested water user or impairing compacts, decrees or agreements.

Augmentation and Substitute Water Supply Plans (Plans) are the legal mechanisms that allow water users to divert groundwater or surface water out of priority at one location, then replace the out-of-priority depletions back to the stream at another location to ensure no injury occurs. These plans allow for water to be legally diverted to maximize beneficial use in a basin that has very little unappropriated water and a high demand for the water resources. Since 2002, an augmentation plan or a substitute water supply plan (SWSP) approved by the State Engineer is required by statute prior to any tributary well pumping in the Basin. The Plans have three key operational components that are monitored by DWR: diversions, depletions, and replacements. The Plans require DWR to perform accounting audits and enforcement throughout the Basin to ensure out-of-priority stream depletions are replaced appropriately.

The 2002 change requiring augmentation plans and SWSPs resulted in a significant increase in water operations accounting, such that a designated South Platte River Basin Accounting Team (the Accounting Group) was formed in 2007 consisting of 3.0 FTE and growing to 4.0 FTE in 2011. The Accounting Group is responsible for collecting, reviewing, archiving, monitoring, and enforcing of all water accounting submitted under the Plans. This information is critical to the region's water commissioners who use these records on a daily basis to correctly administer water rights in the field. The Accounting Group also audits the water users in accordance with the Plans as required for proper water administration.

In addition to the accounting requirements, many Plans require water users to file a notice with the water court regarding certain changes like the addition of new replacement sources or new structures to be augmented by the plan. These notices typically require DWR to file comments and approval/denials in the water court digital filing system within a limited amount of time. The Accounting Group reviews all of these notices and prepares recommendations for the Division Engineer regarding approval or denial.

Components of the Plans are time sensitive and the Plans have increased in number and complexity, surpassing the Accounting Group's ability to keep up with the current workload. The Water court requires DWR to provide the accounting review of these Plans. As a result, DWR administers the following which are also referred to as accounting requirements:

- all diversions from and releases to the stream,
- all diversions/releases must be equipped with continuous measurement and recording devices;
- all measurements and recorded data must be captured on a daily basis and reported at least monthly; and
- the approval of exchanges at least 48 hours prior to operation.

The increase in accounting requirements and the time sensitivity of some of these requirements support the addition of 1.0 FTE to the Accounting Group.

The increased demand on water for municipal, commercial, and industrial uses is the driving force behind the growth in workload that is currently being experienced by the Accounting Group. It takes nearly 200% more diversion records to properly account for the same amount of water in 2018 as it did in 2005. This increased demand for replacement water sources is occurring in an area with limited supply of water,y creating competition among its water users. This environment has contributed to a large number of diversion records that require more time for the Accounting Group to review and staff is struggling to keep up with the growing demands.

Problem or Opportunity:

The increased accounting requirements and their associated time sensitivity in a region with growing demands are creating a number of problems, including: inability to effectively administer the increasing number of augmentation plans, non-compliance issues with the region's agreements resulting in potential injury to water users, shortage of water to the region's water users, and an inability to effectively administer the increasingly complex augmentation plans.

Increasing Number of Augmentation Plans

Since 2011, the number of augmentation plans in the region has increased by twenty-five percent without the addition of more staff to the Accounting Group to accommodate this growth. The number of plans is expected to increase by an average of 30 additional plans year-over-year. The region is currently experiencing a growth in population which translates to increased demands of the region's limited water resources, thus creating more of an accounting burden to DWR's Division 1. The anticipated future growth will be difficult for the Accounting Group to handle when it is struggling to keep up with the current workload in a growing region. Figure 1 on the following page shows the number of augmentation plan transactions as compared to staff dedicated to account for these records over time.

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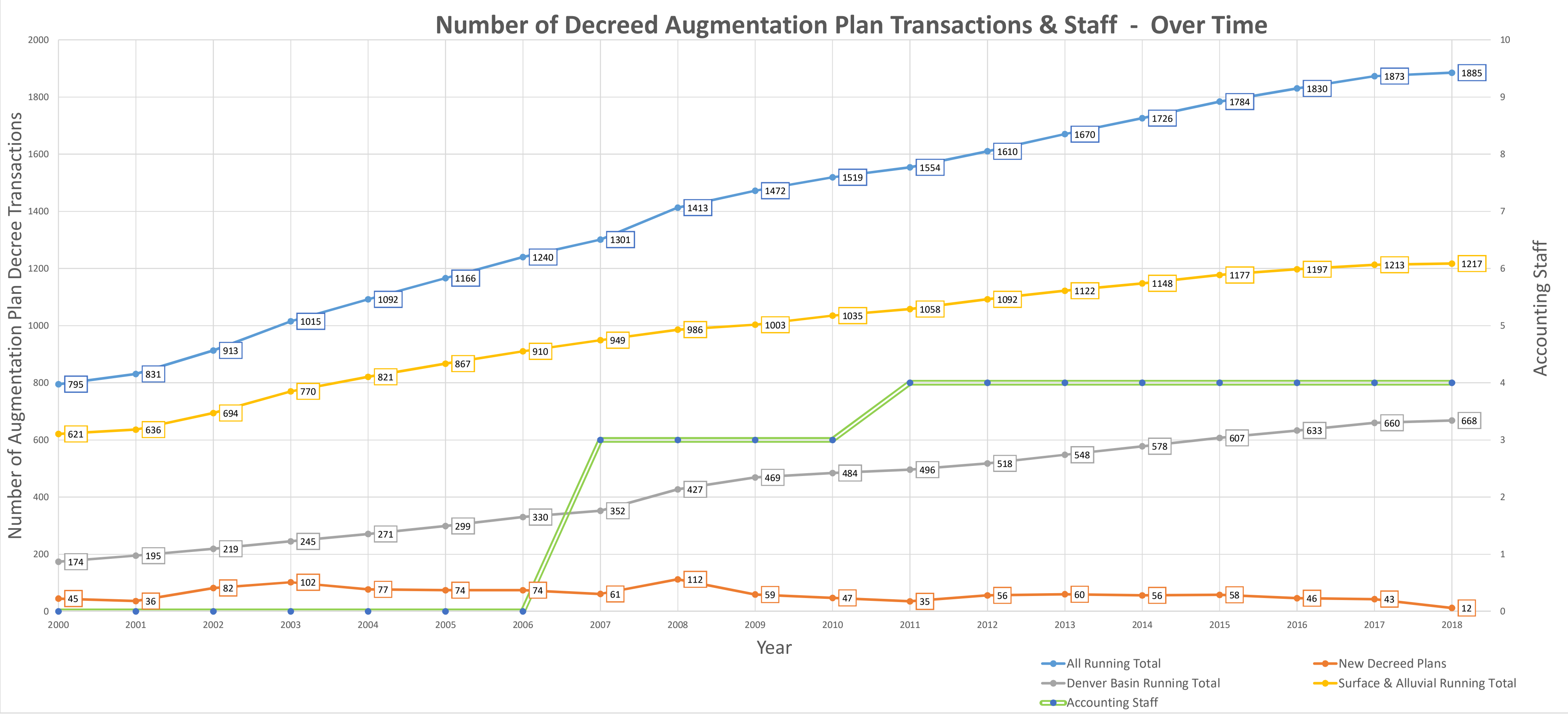
Number of Decreed Augmentation Plan Transactions & Staff - Over Time
Number of Augmentation Plan Decree Transactions
Accounting Staff
Year
All Running Total
Denver Basin Running Total
Accounting Staff
New Decreed Plans
Surface & Alluvial Running Total

Non-compliance Issues

Augmentation plans require timely accounting of water depletions and diversions in order to avoid injury to the region's water users and maintain compliance with the region's agreements. If an augmentation plan cannot or does not adequately replace depletions according to the priority system, statute requires that the State Engineer curtail the out-of-priority diversions. In some cases, delayed depletions to the stream by ground water pumping that occurs a long distance from the stream results in delayed adjustments to the stream system and could cause injury to vested water rights. Timely accounting of the region's water sources is critical to effectively administering the terms of augmentation plans. DWR anticipates that without the addition of this requested FTE, injury to water users may result from a lack of proper real-time administration of water court decrees and water rights. Improper administration could also result in non-compliance with Compact requirements directly or indirectly associated with the Division 1 including, the South Platte River Compact, the Republican River Compact, the Laramie River Decree, and the Sand Creek Agreement. The effect of this is potentially increased litigation costs to the state.

Shortage of Water to the Region's Water Users

DWR's inability to review the water accounting of a water user in a timely manner can result in a delay or denial of a water user operating an exchange or claiming water for replacement resulting in less water. Once the water passes the water users structures, it is not available to that water user and travels downstream to other water users oftentimes who are located out of the state. This can be costly for the water user and can result in limited water supply or water shortages. The faster that the water commissioner can verify water accounting data, the faster they can approve or deny requests from water users. Without the addition of this requested position to the Accounting Group, the time for review and approval could take days, resulting in missed opportunities for water users to divert water as needed.

Increasing Complexity of Augmentation Plans

In addition to the growing number of augmentation plans, the complexity of these plans has increased significantly in recent years. There is an increase in requirements to account for different water uses, water storage, and water replacements, known as diversion records, which are reviewed by the Accounting Group. The diversion record data includes: diversion of water from the stream, storage in reservoirs of water diverted, releases from reservoirs, and releases of water to the stream to replace depletions to the stream. Part of the Accounting Group's responsibility related to diversion records includes reviewing how changes to the stream compare with historical return flows to ensure that the historical pattern of use is maintained. The Accounting Group completes this comparison on a monthly, yearly and over a 20-year period basis. The time required to review this information and ensure its accuracy increases as the number of diversion records are created.

Another example of the increasing complexity of these plans is in the use of recharge water for replacement water which adds more administration requirements to the Division. Recharge water allows Colorado to optimize the use of water by diverting water during periods of excess to recharge facilities to allow the water to flow back to the streams in times of shortage. The increased use of recharge water has resulted in an increase in the number of diversion records thus creating more workload for the Accounting Group. Figure 2 on the following page shows the increase in number of diversion records to the Division since 2007.

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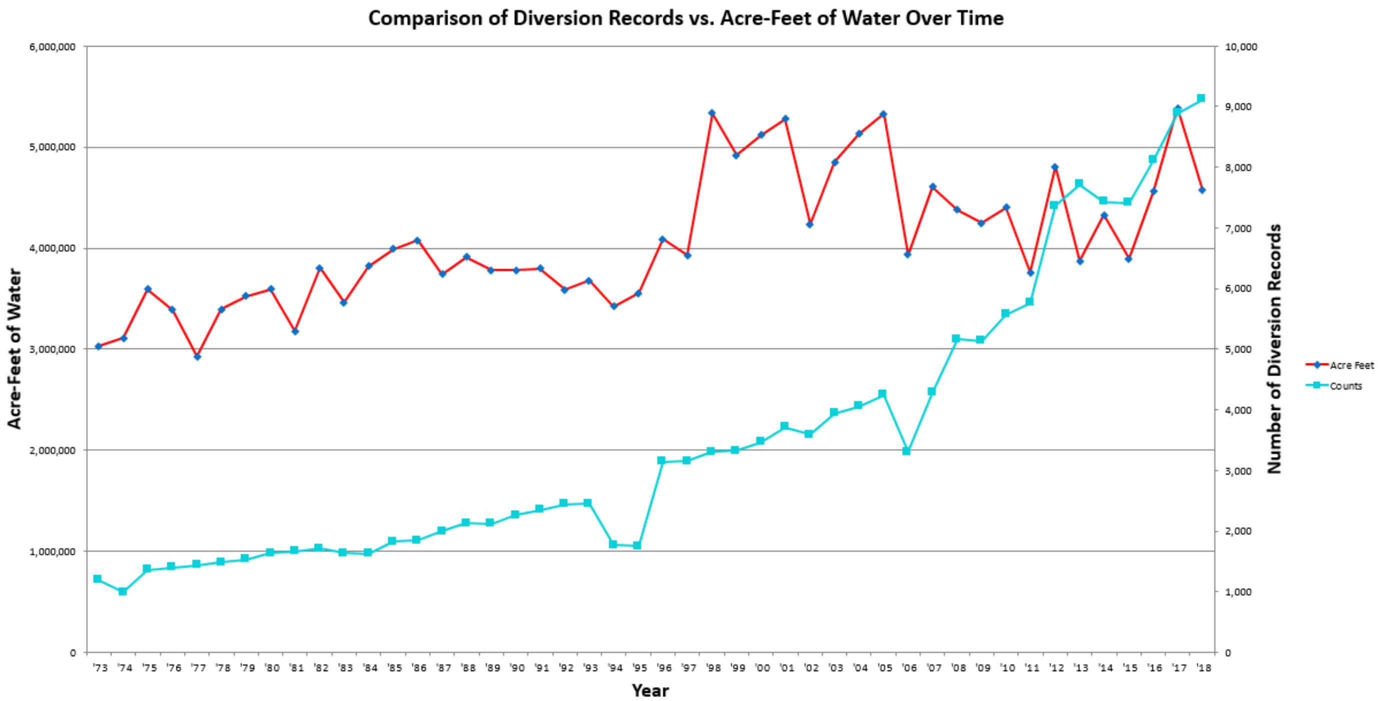
Figure 2: Increase in Diversion Records over Time



In addition, the increasing use of reusable effluent in the region adds to the increased complexity and time required to properly administer these Plans. Reusable effluent is the process of converting wastewater into water that can be used for other purposes. This type of water can be legally decreed for augmentation, replacement, reuse, subsequent use by the water user, and leased to others. The amount of reusable effluent being claimed and used is currently around 20 to 40 percent of the total effluent discharged back to the river. The tracking of reusable effluent is time consuming and requires collecting and providing data to the Division Engineer on a monthly basis and to the water commissioner on a daily, and sometimes multi-daily, basis. Figure 3 on the following page provides a graphical representation of the amount of reusable effluent discharged from Denver Metro sewer that is being claimed for reuse by Denver or other entities that have leased the reusable effluent. As the amount and number of different individuals leasing the water increases, the number of diversion records needed to properly account for and track the water also increases. The Accounting Group is responsible for developing water accounting spreadsheets and reviewing the data of these plans for accuracy.

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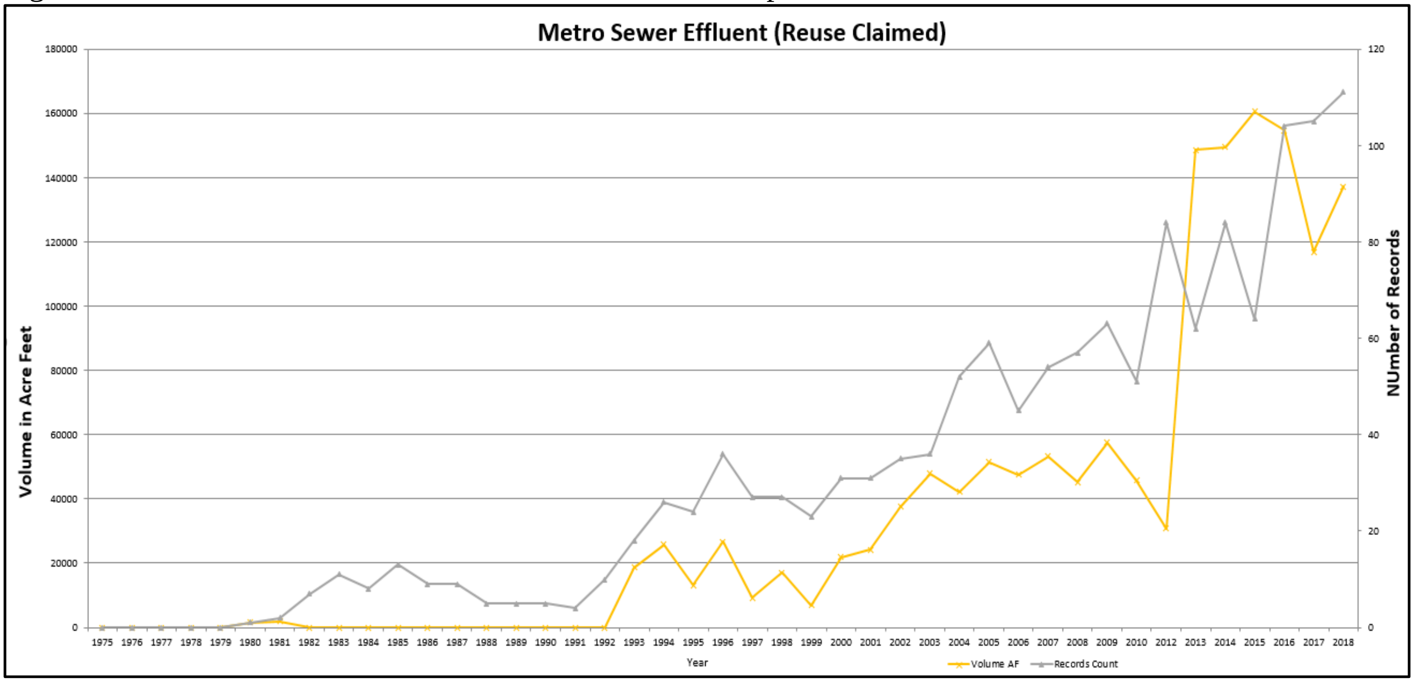
Figure 3: Denver Metro Sewer and Diversion Records Comparison



Proposed Solution:

The request is an increase of $96,309 General Fund and 1.0 FTE at the Physical Science/Research Scientist II level to assist the Accounting Group with reporting, accounting and review of Plans and the monitoring of claimed fully consumable sources. The Division anticipates the increasing population growth in the region and thus increased demand for water will require more accounting administration of the region's augmentation plans. The Division would utilize this position to address current workload issues and to keep up with future demand.

The requested position will perform reviews and audits of water accounting and support real-time water administration undertaken by water commissioners. This position will be responsible for the intake, processing and archiving of all water accounting submittals from water users in the region in accordance with the terms and conditions of the Plans. In addition, this position will be responsible for: tracking claimed reuse and successive use of reusable effluent; auditing water accounting and operations in accordance with water court decrees; reviewing notices filed with the water court; maintaining spreadsheets to assist water users and DWR water commissioners in water administration that maximize the beneficial use of water, and recording the amount of water diversions from the streams and aquifers in the region.

This proposed solution will improve opportunities for water users to fully utilize their reusable effluent and will help Colorado maximize the conservation of water. Colorado water users will realize better yield on their water rights. This position will allow the Accounting Group to complete duties in the required timeframe as required by Plan terms and conditions.

If this solution is not approved, the water users will not be able to optimize the use and reuse of water in the Basin. Water rights are valued at up to $40,000/acre-foot so a missed opportunity to divert or reuse water has a direct economic impact on the water users. These missed opportunities can also mean that water goes downstream to other states in excess of our obligations. Optimizing the beneficial use of water in the region is part of a larger effort to address the state's projected water shortage.

Anticipated Outcomes:

With the requested FTE, the Division will be able improve water administration in the following ways: greater ability to provide routine audits of water operations to verify compliance with the decreed water plans; more monitoring of reusable water sources; more time to administer the terms and conditions of Plans to ensure no injury to vested water rights occurs; and a greater ability to implement tools related to diversion data.

This position will help identify issues with accounting submittals and operations before they occur, including recommendations to the Division Engineer and State Engineer as future issues arise. This increased efficiency will benefit all water users in the region.

Assumptions and Calculations:

This request assumes 1.0 FTE for a Physical Sciences Researcher/ Scientist II at the base minimum salary of the range (biweekly salary of $2,531) with standard operating expenses, plus the cost of associated compensation common policies.

FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

General Fund FTE -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE** to account for the pay-date shift (25/26 weeks of pay). **This applies to personal services costs only; operating costs are not subject to the pay-date shift.**

Expenditure Detail		FY 2020-21		FY 2021-22	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
PHY SCI RES/SCIENTIST II	$2,531	1.0	$65,796	1.0	$65,796
PERA			$7,172		$7,172
AED			$3,290		$3,290
SAED			$3,290		$3,290
Medicare			$954		$954
STD			$112		$112
Health-Life-Dental			$10,042		$10,042
Subtotal Position 1, #.# FTE		**1.0**	**$90,656**	**1.0**	**$90,656**
Classification Title	Biweekly Salary	FTE		FTE	
			$0		$0
PERA			$0		$0
AED			$0		$0
SAED			$0		$0
Medicare			$0		$0
STD			$0		$0
Health-Life-Dental			$0		$0
Subtotal Position 2, #.# FTE		**-**	**$0**	**-**	**$0**
Subtotal Personal Services		1.0	**$90,656**	1.0	**$90,656**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	1.0	$500	1.0	$500
Telephone Expenses	$450	1.0	$450	1.0	$450
PC, One-Time	$1,230	1.0	$1,230	-	
Office Furniture, One-Time	$3,473	1.0	$3,473	-	
Other					
Other					
Other					
Other					
Subtotal Operating Expenses			**$5,653**		**$950**
TOTAL REQUEST		1.0	**$96,309**	1.0	**$91,606**
	General Fund:		*$96,309*		*$91,606*
	Cash funds:				
	Reappropriated Funds:				
	Federal Funds:				

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Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-04 Accounting and Procurement Support Staff

Dept. Approval By: Carly M Jacobs

OSPB Approval By:

___	Supplemental FY 2019-20
___	Budget Amendment FY 2020-21
X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	Total	$32,995,942	$0	$34,903,978	$288,323	$274,214
	FTE	41.3	0.0	41.3	3.0	3.0
	GF	$5,123,120	$0	$5,388,185	$0	$0
	CF	$22,389,399	$0	$23,850,366	$0	$0
	RF	$4,862,663	$0	$4,984,871	$288,323	$274,214
	FF	$620,760	$0	$680,556	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Personal Services	Total	$4,010,447	$0	$4,128,860	$221,213	$221,213
	FTE	41.3	0.0	41.3	3.0	3.0
	GF	$0	$0	$0	$0	$0
	CF	$0	$0	$0	$0	$0
	RF	$4,010,447	$0	$4,128,860	$221,213	$221,213
	FF	$0	$0	$0	$0	$0
01. Executive Director's Office, (A) Administration, (1) Administration - Health, Life, And Dental	Total	$16,667,226	$0	$18,111,372	$30,126	$30,126
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$3,239,669	$0	$3,481,030	$0	$0
	CF	$12,782,471	$0	$13,953,030	$0	$0
	RF	$312,561	$0	$304,377	$30,126	$30,126
	FF	$332,525	$0	$372,935	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Short-Term Disability	Total	$179,974	$0	$186,465	$335	$335
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$28,127	$0	$31,701	$0	$0
	CF	$142,236	$0	$144,166	$0	$0
	RF	$5,306	$0	$5,829	$335	$335
	FF	$4,305	$0	$4,769	$0	$0
01. Executive Director's Office, (A) Administration, (1) Administration - Amortization Equalization Disbursement	Total	$5,976,962	$0	$6,146,455	$9,845	$9,845
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$927,662	$0	$937,727	$0	$0
	CF	$4,732,346	$0	$4,876,585	$0	$0
	RF	$174,989	$0	$180,717	$9,845	$9,845
	FF	$141,965	$0	$151,426	$0	$0
01. Executive Director's Office, (A) Administration, (1) Administration - Supplemental Amortization Equalization Disbursement	Total	$5,976,962	$0	$6,146,455	$9,845	$9,845
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$927,662	$0	$937,727	$0	$0
	CF	$4,732,346	$0	$4,876,585	$0	$0
	RF	$174,989	$0	$180,717	$9,845	$9,845
	FF	$141,965	$0	$151,426	$0	$0
01. Executive Director's Office, (A) Administration, (1) Administration - Operating Expenses	Total	$184,371	$0	$184,371	$16,959	$2,850
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$0	$0	$0	$0	$0
	RF	$184,371	$0	$184,371	$16,959	$2,850
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Natural Resources Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department Priority: R-04
Request Detail: Accounting and Procurement Support Staff

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	**FY 2020-21**	**FY 2021-22**
Total Funds	**$0**	**$288,323**	**$274,214**
FTE	0.0	3.0	3.0
General Fund	$0	$0	$0
Cash Funds	$0	$0	$0
Reappropriated Funds	$0	$288,323	$274,214
Federal Funds	$0	$0	$0

Summary of Request:

The Department of Natural Resources (DNR) Executive Director's Office requests $288,323 reappropriated funds and 3.0 FTE to address ongoing and increasing workload in both its Accounting and Procurement Offices. Over the last ten years, DNR's accounting transactions have increased from 441,000 to 665,000 transactions per year, and its contracts and purchase orders have grown from about 2,300 to 3,000 purchase orders, without any increase in appropriated FTE to handle the additional workload. The requested staff will allow DNR to process a wide variety of financial transactions faster and more efficiently in order to disburse payments to vendors and grant recipients in a more timely fashion and allow for important public projects to be implemented more quickly.

Current Program:

The Department of Natural Resources is responsible for the management of the water, land, wildlife, minerals/energy/geology, and outdoor recreation resources of the State. Its mission is to develop, preserve, and enhance Colorado's natural resources for the benefit and enjoyment of current and future citizens and visitors. The DNR Executive Director's Office (EDO) helps with these responsibilities by overseeing and assisting six divisions as well as providing administrative support for the divisions in areas such as accounting, human resources, procurement, budget, performance planning, process improvement, and public information. EDO is responsible for administrative oversight of a $315 million annual budget and 2,400 permanent and temporary employees within DNR.

Within these broad administrative responsibilities, the Accounting Office is responsible for: (1) review and approval of accounting documents, (2) allocating and approving spending authority in the State's accounting system ("CORE") consistent with the Long Bill, special bills, and non-appropriated grants; (3) approving Department payments to vendors, contractors, and employees; and (4) ensuring Department expenditures are consistent with state law, state fiscal rules, Department policies, and generally accepted accounting principles. Similarly, the Procurement Office is responsible for conducting solicitations in conformance with Colorado Procurement laws and rules. The Procurement Office also negotiates and issues purchase orders, vendor agreements, inter agency agreement, contracts, and contract amendments. EDO staff, including both Accounting Office and Procurement Office personnel, are funded by reappropriated indirect cost recoveries from DNR's six divisions as well as from the Colorado Avalanche Information Center, which is a separate program within the EDO.

The Accounting and Procurement Offices play a critical role in department operations and outcomes. For example, important work to plug an orphaned oil and gas well and reclaim the site requires the involvement of EDO accounting and procurement staff. Before any plugging work can be started, most projects must be put out for competitive bid by the Procurement Office. Even without a backlog of projects, vendor selection takes at least six to eight weeks and contracting with the selected vendor takes another two to six weeks. Once the contract is executed, project work can start. However, contractors typically require payments as project milestones are achieved. Failure to make timely payments can results in work stoppage, project delays, and potentially financial penalties. In addition, late payments are unfair to DNR's vendors and lead to disinterest in bidding on additional projects.

General project delay from an under-staffed Procurement Office will slow down the completion of the orphaned well project, which results in additional time that the public is exposed to the potential negative impacts of improperly plugged and reclaimed oil and gas wells. These impacts may include volatile organic compound emissions (which could have negative human health and wildlife impacts), methane emissions (which in a worst case scenario could result in an explosion and/or fire), and potential contamination of underground water aquifers. More timely procurement and accounting results in the more timely achieving of benefits for a wide variety of DNR programs, such as water projects, habitat improvement projects, species conservation work, state park maintenance and improvement projects, etc.

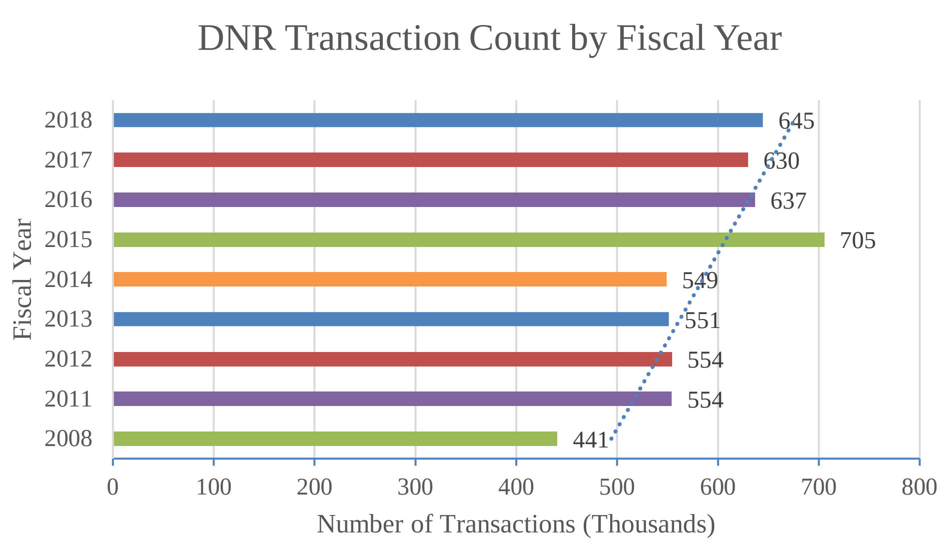
Problem or Opportunity:

Funding for EDO administration has been relatively flat for the last eight years. The budget has only grown by a net of 6.6 percent and has not kept pace with either inflation or growth in other parts of the DNR budget. During this same time period, EDO experienced a net reduction of 2.5 FTE.

FY	EDO Personal Services	EDO Operating Expenses	Total EDO Funding	Change
FY 20	$4,010,447 (41.3 FTE)	$184,371	$4,194,818	$108,892 (+2.7%)
FY 19	$3,901,595 (41.3 FTE)	$184,331	$4,085,926	$66,509 (+1.7%)
FY 18	$3,835,086 (41.3 FTE)	$184,331	$4,019,417	$4,607 (+0.1%)
FY 17	$3,830,479 (41.3 FTE)	$184,331	$4,014,810	$57,556 (+1.5%)
FY 16	$3,772,923 (41.3 FTE)	$184,331	$3,957,254	$103,130 (+2.7%)
FY 15	$3,669,793 (41.3 FTE)	$184,331	$3,854,124	$75,035 (+2.0%)
FY 14	$3,594,965 (41.8 FTE)	$184,124	$3,779,089	-$129,872 (-3.3%)
FY 13	$3,724,837 (41.8 FTE)	$184,124	$3,908,961	-$24,770 (-0.6%)
FY 12	$3,758,804 (43.8 FTE)	$174,927	$3,933,731	N/A

Growing Workload for the Accounting Office

Over the last eight years, the number of staff allocated to the Accounting Office has increased by 1.0 FTE, from 14.0 FTE to 15.0 FTE by internally reallocating an administrative position to an accounting position. This was done during the implementation of the State's new accounting system (CORE) to address the increased workload associated with the new system. While implementation of CORE has been beneficial to the state in some respects, it has also more than doubled the number of fields required to complete many accounting transactions which has increased the amount of time it takes to process these transactions. Even with this 1.0 FTE increase, staffing over time has become insufficient to handle to the total workload of the Accounting Office. As shown in the figure below, the total number of accounting transactions has grown by about 16% since FY 2011-12 and increased by about 46% over the last ten years.



Furthermore, the total number of accounting transactions is expected to continue to grow moving forward. Drivers of anticipated future growth in DNR accounting workload include:

(1) A significant increase in the size of the Oil & Gas Conservation Commission (OGCC) FTE and budget, including the impacts of S.B. 19-181;

(2) The recent increase to OGCC's funding for orphaned well reclamation from $445,000 per year to $5,000,000 per year with two-year roll-forward spending authority starting in FY 2018-19;
(3) Increases in funding for the Colorado Water Conservation Board's (CWCB) Water Plan Grant Program. Increased funding for this purpose was provided in S.B. 19-221 (the FY 2019-20 CWCB Projects Bill), H.B. 19-1327 (referring a ballot measure to voters to approve sports gambling, which would generate revenue for the Water Plan grants if approved), and S.B. 19-212 (an appropriation of General Fund to implement State Water Plan). The Water Plan Grant Program is an important part of CWCB's efforts to meet long-term Colorado Water Plan goals. As a result, this high level of Water Plan Grant Program activity is projected to not only continue, but to potentially keep increasing if additional sources of revenue can be secured by CWCB.
(4) The Hunting, Fishing, and Parks for Future Generations Act (S.B. 18-143) will generate millions of dollars of additional funding for Colorado Parks and Wildlife (CPW) to expand public and private access to lands, plan for and build a new state park, improve maintenance of state wildlife areas, main CPW-owned dams, and address a wide variety of other parks and wildlife goals.

Growing Workload for the Procurement Office
There is a very similar story with workload for the Purchasing Office. As shown in the following table, the total workload for the Procurement Office has grown by a little over 50 percent in the last seven years:

	CY 2011	CY 2018	Change
Purchase Orders	1,331	1,996	+50%
Contracts	657	1,043	+59%

During this same time period, the number of staff in the Procurement Office has remained flat at 4.0 FTE. On top of the workload in contracts and purchase orders, the Department has also experienced growth in bids, contract amendments, and purchasing modifications. Further, the same factors affecting spending in OGCC, CWCB, and CPW will also drive future workload growth for the DNR Procurement Office (see the four factors at the end of the section titled "Growing Workload for the Accounting Office" for more detail).

The workload related to procurement is also affected by a few unique factors like new requirements related to legislative changes. For example, the passage of S.B. 19-196 (Colorado Quality Apprenticeship Training Act of 2019) will increase the procurement workload associated with public construction projects. The legislation will require DNR's Procurement Office to ensure general contractors on public construction projects meet minimum apprenticeship utilization requirements and that contractors pay prevailing wages. This will require additional time soliciting bids and writing contracts consistent with the new statutory requirements, overseeing contractors' compliance with apprenticeship requirements, and certifying payroll paperwork is consistent with the prevailing wage requirements. In addition, the number of vendors requiring that their terms be added in to purchase orders and discretionary purchases has increased, requiring review and sometimes extensive negotiation for even simple, low dollar purchases. The full impact of this legislation depends both on how the State chooses to implement it and on other workload factors, but it could present some challenges for the Procurement Office given the current staffing needs.

The current statewide accounting system (CORE), compared to the previous system (COFRS), has more screens, more fields, and more interrelated transactions that result in more time to enter, more time to review and approve, and more opportunity for errors that need correcting. The budget structure and grant structures in CORE are very complex which causes mismatches of financial data, requiring manual corrections on a monthly basis. This complexity has affected workload in both accounting and procurement.

Accounting and Procurement Process Improvement Efforts

Over the past three years, DNR has implemented a number of LEAN and process improvement projects to address workload in accounting and procurement, including: (1) eliminating paper for incoming grant setup; (2) implementing various changes to reduce errors in journal vouchers; (3) increased approval delegation for certain types of purchase orders and bidding processes, and; (4) a number of changes to the contract and outgoing grant process to reduce wait times. In addition, the recent process improvements in the OneCard[1] documentation process, and implementing several Google forms to report different waiver requests, has led to some reduction in associated workload. Despite all of these process improvements, the workload problem in both accounting and procurement continues to get worse.

Impacts of Accounting & Procurement Workload

The difficulty with growing workload in the accounting and procurement unit manifests itself in many ways, including:

Turnover Rates

Both the Accounting Office and the Procurement Office have much higher turnover rates than the rest of DNR. Constant stress, over-time hours, and the unnecessary pressure associated with long customer wait times for payments, contracts, and other transactions has resulted in high turnover for both accounting and procurement staff. This high turnover worsens the backlogs of work in both offices and results in additional inefficiencies while new staff are being hired and trained.

Audit Findings

The lack of accounting and procurement staff leaves DNR more susceptible to negative audit findings. For example, a recent federal audit from U.S. Fish and Wildlife identified an issue with DNR’s equipment inventory. To determine whether DNR had maintained adequate control over the use of its federal funds, the Department is required to keep an inventory of all equipment purchased with federal funds. DNR tracks all of its capital assets, but was unable to provide an equipment inventory that identified the funding sources used to purchase the items on the inventory. To meet this requirement, the Accounting Office built an equipment inventory outside of CORE that specifically tracked how the equipment was purchased. Given that the Accounting Office already is understaffed, maintaining the required inventory going forward will be challenging.

Long Wait Times

Wait times for payments, contracts, purchase orders, and other transactions is frustrating for DNR’s customers, stakeholders, vendors, and program staff. The start of important DNR projects, the hiring of temporary staff to operate state parks, and the payments of contractors and DNR vendors who have supported us in our many missions can all be unduly delayed multiple weeks as a result of the work backlog. For example, the average time for DNR to process a contract or grant in FY 2018-19 has been about 19.61 days,

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[1] The OneCard is a statewide program whereby authorized state employees are given a credit card (the card itself is referred to as the “OneCard”) that can be used to fund travel and other smaller expenses up to certain dollar limits and restrictions. The OneCard generally makes it easier for DNR program staff to make minor purchases that support DNR programs.

up from 18.46 in FY 2017-18. As noted previously, this processing time is expected to keep getting worse without additional procurement staff.

Proposed Solution:

With a roughly 50 percent increase in workload in both accounting and procurement in the last seven years, DNR is proposing an increase of 3.0 FTE (about a 16% increase in staffing for the two offices combined) to address workload issues, including: (1) a full-time OneCard Coordinator; (2) a Deputy DNR Controller, and; (3) an additional Accountant II position.

OneCard Coordinator

The OneCard is a statewide program under which authorized DNR staff are given a credit card that can be used to fund travel and other smaller expenses up to certain dollar limits and restrictions. The OneCard generally makes it easier for DNR program staff to make minor purchases that support DNR programs. Duties for the OneCard program are currently spread across several staff people, including a position known internally as the "OneCard Coordinator." The OneCard Coordinator is one of the four FTE in the Procurement Office and spends about 60% of their time on OneCard issues. This includes administering the program on behalf of the roughly 1,000 DNR employees who have one cards, issuing cards to new employees, answering questions from OneCard holders, managing the contract with the financial institution that provides DNR with OneCard services, creating policies and procedures around the use of the OneCard, and providing OneCard training to DNR employees.

Separate and apart from the OneCard Coordinator, the DNR Accounting Office has an internal auditor position that reviews a random sample of OneCard transactions each month. This review is to assure that proper fiscal procedures are being followed with these financial transactions. Finally, at the division level, administrative staff are involved in allocating OneCard expenses, reviewing transactions, and more generally helping administer the program for their division's staff.

DNR is proposing to move the OneCard coordination duties from the Procurement Office to the Accounting Office by combining coordination and audit duties into the same position. Consolidating OneCard responsibilities will have several benefits. First, this will allow the current procurement position that is 60% dedicated to OneCard to go from spending 40% of their time processing procurement requests to spending 100% of their time on procurement. Given the 50%+ growth in procurement workload over the last seven years, the increased capacity will help DNR to process procurement documents in a timelier manner. Second, this will also allow DNR's OneCard Program to be less reactive (responding to OneCard errors after they have happened) and more proactive (prevent errors before they happen). By having the OneCard training done by the person finding the errors, training can be tailored to the specific types of errors that are most commonly being found.

Accountant II

To better address the raw workload associated with accounting transactions, DNR also proposes adding a 1.0 FTE as an Accountant II. This position will work with assigned divisions and programs on a wide variety of accounting transactions. Work will include: (1) helping to set up appropriated and grant spending authority in CORE as well as providing review of CORE spending authority; (2) reviewing and approving payment transactions in CORE, which will include ensuring compliance with administrative procedures, fiscal rules, grant/contract provisions, and federal regulations; (3) reviewing fiscal aspects on contracts to ensure they follow proper fiscal rules and procedures; (4) maintaining and reconciling financial records for assigned programs/divisions to ensure accuracy and completeness of account balances, revenue entries, and contract encumbrances; (5) maintaining and reconciling financial records. Because some of these tasks only occur during fiscal year open and close, a significant portion of this positions time will be spent specifically on payment transactions.

Deputy Controller

To better address the accounting workload, manage the large Accounting Office staff (currently 15.0 FTE), and handle the many more complicated accounting issues that regularly come up, DNR is proposing to hire a permanent Deputy Controller. This position will mainly focus on resolving ongoing challenges with fiscal procedures, such as developing a uniform allowance procedure for Colorado Parks and Wildlife (CPW) that complies with both state fiscal rules as well as federal law. This person will also assist in addressing the complexity of properly setting up roughly 500 federal grants administered by CPW (these grants often come with very specific purposes and/or are tied to very specific locations). CPW is also in the process of implementing a new automated system for the sale of licenses, sales, registrations, and reservations (called “IPAWS” or the Integrated Parks and Wildlife System, because it will integrate the sale of both state park products and wildlife products). There are a host of accounting issues and procedures related to the operation of any new financial system and IPAWS will be no different. The Deputy Controller position will take a lead role in assuring that the system itself, as well as the policies and procedures of the staff who use it, are developed in a way that is sensitive to good accounting practices.

Anticipated Outcomes:

The addition of 3.0 FTE would result in an increase in overall productivity in both the Accounting Office and the Procurement Office. Specifically, DNR would anticipate better customer service in terms of shorter wait times for contractors and vendors to be paid. In relation to both accounting and procurement, a whole host of programs would be able to move more quickly. For example, with additional staff capacity in the Procurement Office, orphaned well projects could be bid and under contract in a shorter period of time. As another example, Colorado Water Plan grants could be under contract more quickly and subsequent payments to our partners would be made promptly. With integration of OneCard duties into a single position and more proactive OneCard training, OneCard errors will drop. Hiring additional staff will also allow the Accounting Office to play a more proactive role in various policies and procedures, likely reducing the number of negative audit findings (violations of fiscal rules and procedures) found after the fact.

Assumptions and Calculations:

Funding for the 3.0 FTE in this request is estimated at an ongoing cost of $271,364. This assumes the range minimum salary for two Accountant II positions and one Controller II position. The total amount of operating expenses in FY 2020-21 is $16,959, including standard assumptions about the cost of a computer, desk, and chair in the first year. Operating expenses annualize to a smaller $2,850 in FY 2021-22 and beyond. All expenses from this decision item will be paid using indirect cost recoveries on cash and federal revenue sources within the Department.

FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

General Fund FTE -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE** to account for the pay-date shift (25/26 weeks of pay). **This applies to personal services costs only; operating costs are not subject to the pay-date shift.**

Expenditure Detail		FY 2020-21		FY 2021-22	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
ACCOUNTANT II	$1,977	2.0	$102,816	2.0	$102,816
PERA			$11,207		$11,207
AED			$5,141		$5,141
SAED			$5,141		$5,141
Medicare			$1,491		$1,491
STD			$175		$175
Health-Life-Dental			$20,084		$20,084
Subtotal Position 1, 2.0 FTE		**2.0**	**$146,055**	**2.0**	**$146,055**
Classification Title	Biweekly Salary	FTE		FTE	
CONTROLLER II	$3,618	1.0	$94,080	1.0	$94,080
PERA			$10,255		$10,255
AED			$4,704		$4,704
SAED			$4,704		$4,704
Medicare			$1,364		$1,364
STD			$160		$160
Health-Life-Dental			$10,042		$10,042
Subtotal Position 2, 1.0 FTE		**1.0**	**$125,309**	**1.0**	**$125,309**
Subtotal Personal Services		3.0	**$271,364**	3.0	**$271,364**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	3.0	$1,500	3.0	$1,500
Telephone Expenses	$450	3.0	$1,350	3.0	$1,350
PC, One-Time	$1,230	3.0	$3,690	3.0	
Office Furniture, One-Time	$3,473	3.0	$10,419	3.0	
Other					
Other					
Other					
Other					
Subtotal Operating Expenses			**$16,959**		**$2,850**
TOTAL REQUEST		3.0	**$288,323**	3.0	**$274,214**
	General Fund:				
	Cash funds:				
	Reappropriated Funds:		*$288,323*		*$274,214*
	Federal Funds:				

Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-05 True-up of Orphaned Well and Emergency Spending Auth

Dept. Approval By: Carly W Jacobs

OSPB Approval By:

	Supplemental FY 2019-20
	Budget Amendment FY 2020-21
x	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total of All Line Items Impacted by Change Request	Total	$5,761,000	$0	$5,761,000	($1,761,000)	($1,761,000)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$5,761,000	$0	$5,761,000	($1,761,000)	($1,761,000)
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
03. Oil and Gas Conservation Commission, (A) Oil and Gas Conservation Commission, (1) Oil and Gas Conservation Commission - Plugging and Reclaiming Abandoned Wells	Total	$5,011,000	$0	$5,011,000	($1,161,000)	($1,161,000)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$5,011,000	$0	$5,011,000	($1,161,000)	($1,161,000)
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0
03. Oil and Gas Conservation Commission, (A) Oil and Gas Conservation Commission, (1) Oil and Gas Conservation Commission - Emergency Response	Total	$750,000	$0	$750,000	($600,000)	($600,000)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$750,000	$0	$750,000	($600,000)	($600,000)
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Natural Resources Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department Priority: R-05
Request Detail: True-up of Orphaned Well and Emergency Spending Authority

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	**FY 2020-21**	**FY 2021-22**
Total Funds	**$0**	**($1,761,000)**	**($1,761,000)**
FTE	0	0	0
General Fund	$0	$0	$0
Cash Funds	$0	($1,761,000)	($1,761,000)
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

Summary of Request:

The Oil and Gas Conservation Commission (OGCC) proposes an 8.75% reduction to its overall budget by decreasing FY 2020-21 cash fund appropriations for the Orphaned Well Program and Emergency Response by $1,161,000 and $600,000, respectively. The reductions would be ongoing. The proposed reduction is intended to align spending authority more closely with the programs' historical expenses rather than to curtail program operations in any way or diminish OGCC's ability to respond to emergencies.

Current Program:

The OGCC regulates the development and production of oil and gas in the state of Colorado in a manner that protects public health, safety, welfare, the environment, and wildlife resources. The OGCC seeks to serve, solicit participation from, and maintain working relationships with all those having an interest in Colorado's oil and gas natural resources.

Orphaned Well Program

Funding for the Orphaned Well Program is used to plug and reclaim orphaned wells in locations for which there is either no known responsible party or the responsible party is unwilling or unable to conduct the work in compliance with state rules. Funding for this line item is from the Oil and Gas Conservation and Environmental Response Fund. The appropriation commenced in FY 1997-98 at $110,000, with increases to $220,000 in FY 1998-99 and to $445,000 in FY 2011-12. Funding was increased again to $5,011,000 starting in FY 2018-19, driven by a significant increase in the number of orphaned wells and locations in the state. Independent of the recent funding increase, the appropriation was granted two-year spending authority starting in FY 2018-19, which means the OGCC has two years to spend each annual appropriation.

Emergency Response

The purpose of this line item has been to fund the investigation, prevention, monitoring, and mitigation of circumstances caused by or that are alleged to be associated with oil and gas activities and that call for immediate action by the OGCC. Funding for this line item dates back to FY 2005-06 and is from the Oil and Gas Conservation and Environmental Response Fund. Originally funded at $1.5 million, the line item was reduced to $1 million in FY 2010-11, and further reduced to $750,000 in FY 2016-17, due to low annual expenditures.

Problem or Opportunity:

To identify potential budget efficiencies, in 2019 the OGCC looked for programs that appeared to have excess spending authority based on historical and projected spending rates, as well as whether the programs currently had the human resources required to fully expend the program budgets. As described in more detail below, both the Orphaned Well Program and Emergency Response fit at least one of these criteria.

Orphaned Well Program

Funding for the OGCC's orphaned well program increased from $445,000 to $5,011,000 starting in FY 2018-19 through a JBC action shortly before the FY 2018-19 Long Bill was introduced. An additional 5.0 FTEs have also been added, bringing the number of staff dedicated to orphaned wells from 1.0 FTE to 6.0 FTEs, as of FY 2019-20. This large increase in funding required a complete overhaul of program processes and management, the need for which was further amplified by Governor Hickenlooper's Executive Order D 2018-012. The order set a deadline for plugging all medium and high priority orphaned wells by July 1, 2023 and requires the OGCC to establish a process for operators to voluntarily plug wells and seek reimbursement.

Hiring staff, developing new processes, and preparing bids for multi-well projects slowed spending in the first half of FY 2018-19. Consequently, only slightly more than $1.3 million of the $5 million appropriation was spent by the end of FY 2018-19, leaving $3.7 million to roll into FY 2019-20, given the line item's two-year spending authority. The rolled-over $3.7 million in prior-year funds on top of the $5 million appropriation for FY 2019-20 provides the program with $8.7 million of spending authority in the current year. Even if the program significantly increases its spending in FY 2019-20 to its current estimate of $4 million, it would still have a projected $4.7 million balance at year-end. That balance would roll into FY 2020-21, leaving the program with approximately $9.7 million to spend that year.

Emergency Response

Average annual spending from this line item has been $112,536 since its inception in FY 2006-07, and most expenditures have been related to orphaned wells. With the Orphaned Well Program now sufficiently funded, even with the proposed reduction discussed above, the Emergency Response line item no longer needs to be funded at the $750,000 level.

Proposed Solution:

Orphaned Well Program: Reduce from $5,011,000 to $3,850,000 (reduction of $1,161,000)

The proposed $1,161,000 budget cut would reduce the FY 2020-21 base appropriation to $3.85 million, leaving the orphaned well program with a projected $8.51 million in total spending authority for FY 2020-21 ($3.85 million base appropriation plus $4.66 million rolled forward from FY 2019-20). The OGCC expects this amount will be sufficient to cover anticipated expenditures that year. Deeper cuts to the program are not recommended because available funds are needed to reimburse operators who plug orphaned wells on the state's behalf. At this time, the OGCC cannot predict the level of industry participation in this program, as the guidelines for it have yet to be published.

Emergency Response: Reduce from $750,000 to $150,000 (reduction of $600,000)

For the reasons discussed above, reducing this line item to a level closer to the average annual expenditures is appropriate at this time, and the reduction is not expected to impact the OGCC's ability to respond to emergency situations. OGCC staff will continue to respond as quickly as possible. In the event the full cost of an emergency exceeds the $150,000 appropriation, and the overage cannot be absorbed within existing resources, an emergency 1331 supplemental would be sought.

Anticipated Outcomes:

The Department and Division do not expect any negative outcomes by reducing these two programs by the suggested amounts. Moreover, aligning spending authority more closely with the programs' historical expenses will help with cash fund management and the efficient use of resources. Having to ensure that enough cash is on hand to fund all appropriations, including those with significant excess or redundant spending authority, not only makes it more challenging to end the fiscal year within the fund's statutory cap but it also limit's the Division's ability to seek other opportunities.

Assumptions and Calculations:

Table 1 below shows how the OGCC gradually works through the $3.7 million in spending authority that rolled from FY 2018-19 into FY 2019-20 by increasing its orphaned well expenditures to an average of $4 million per year and facilitating industry's involvement at a level averaging $750,000 per year. The projected FY 2022-23 year-end balance of nearly $2 million indicates there is room, even with the $1,161,000 cut to the base appropriation, for the industry to take on more orphaned well projects than this scenario assumes.

Table 1: Base appropriation is reduced to $3.85 million in FY 2020-21, as requested.

	Actual FY 2018-19	Estimate FY 2019-20	Requested FY 2020-21	Forecast FY 2021-22	Forecast FY 2022-23
Base Appropriation	$5,011,000	$5,011,000	$3,850,000	$3,850,000	$3,850,000
Rolled Forward from Prior Year	$0	$3,650,352	$4,661,352	$3,761,352	$2,861,352
Adjusted Appropriation	$5,011,000	$8,661,352	$8,511,352	$7,611,352	$6,711,352
OGCC Expenditures	($1,360,648)	($4,000,000)	($4,000,000)	($4,000,000)	($4,000,000)
Industry Expenditures	$0	$0	($750,000)	($750,000)	($750,000)
Remaining at Fiscal Year-End	$3,650,352	$4,661,352	$3,761,352	$2,861,352	$1,961,352

Table 2 uses the same assumptions for expenditures, but with the base appropriation remaining at $5 million. In this scenario, the year-end balance gradually increases.

Table 2: Request to reduce base appropriation is denied.

	Actual FY 2018-19	Estimate FY 2019-20	Requested FY 2020-21	Forecast FY 2021-22	Forecast FY 2022-23
Base Appropriation	$5,011,000	$5,011,000	$5,011,000	$5,011,000	$5,011,000
Rolled Forward from Prior Year	$0	$3,650,352	$4,661,352	$4,922,352	$5,183,352
Adjusted Appropriation	$5,011,000	$8,661,352	$9,672,352	$9,933,352	$10,194,352
OGCC Expenditures	($1,360,648)	($4,000,000)	($4,000,000)	($4,000,000)	($4,000,000)
Industry Expenditures	$0	$0	($750,000)	($750,000)	($750,000)
Remaining at Fiscal Year-End	$3,650,352	$4,661,352	$4,922,352	$5,183,352	$5,444,352

Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-06 Legal Services for Open Records Requests

Dept. Approval By: Carly Jacobs

OSPB Approval By:

	Supplemental FY 2019-20
	Budget Amendment FY 2020-21
X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	Total	$5,452,733	$0	$5,737,232	$191,880	$191,880
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,366,765	$0	$1,495,260	$0	$0
	CF	$3,990,334	$0	$4,151,304	$191,880	$191,880
	RF	$20,539	$0	$0	$0	$0
	FF	$75,095	$0	$90,668	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Legal Services	Total	$5,452,733	$0	$5,737,232	$191,880	$191,880
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,366,765	$0	$1,495,260	$0	$0
	CF	$3,990,334	$0	$4,151,304	$191,880	$191,880
	RF	$20,539	$0	$0	$0	$0
	FF	$75,095	$0	$90,668	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Natural Resources Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts Other Agency

Department Priority: R-06
Request Detail: Legal Services for Open Records Requests

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	**FY 2020-21**	**FY 2021-22**
Total Funds	**$0**	**$191,880**	**$191,880**
FTE	0	$0	$0
General Fund	$0	$0	$0
Cash Funds	$0	$191,880	$191,880
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

Summary of Request:

The Department of Natural Resources (DNR) requests an increase of $191,880 in ongoing cash spending authority to the Department's Legal Services line item to support 1,800 hours of additional legal support for Colorado Parks and Wildlife (CPW). This amount was determined using the FY 2019-20 blended rate of $106.60 per hour and will subsequently appear as reappropriated funds in the Department of Law (DOL). CPW requires additional legal support for a wide variety of legal issues, including a growing volume of increasingly complex Colorado Open Records Act (CORA) requests.

Current Program:

CPW is the largest agency within DNR, with almost 900.0 FTE distributed across the entire state. The Colorado Parks and Wildlife Commission (Commission) and the Division of Parks and Wildlife are both charged with the authority and responsibility to regulate the taking, use, possession, management, and conservation of fish and wildlife. CPW and the Commission also have responsibility for 41 state parks (soon to be 42 with the addition of the Fisher's Peak property near Trinidad), more than 350 state wildlife areas, and a large and diverse group of programs including the State Trails Program, wildlife and plant research programs, the River Outfitter Licensing Program, the Boat Registration Program, and many more.

The hunting, fishing, and outdoor recreation activities that CPW offers are very popular, and the agency's customer base has expanded steadily over the last several years. State park visitation has increased from approximately 12,464,000 visitor days in FY 2014-15 to more than 14,700,000 in FY 2018-19. Similarly, hunting and fishing license sales have increased from approximately 1,620,000 total licenses in FY 2014-15 to 1,720,000 in FY 2018-19.

Because of the diverse nature of CPW's mission, the legal support required by the agency is wide-ranging. The CPW legal team at DOL consists of three attorneys providing general legal support, one attorney who specializes in real estate matters, three water attorneys, and a lead attorney who also specializes in law related to the Environmental Species Act. DOL attorneys regularly provide counsel to CPW on a variety of topics, including:

- CPW's regulation of the taking, possession, and use of wildlife.
- Real property issues including the acquisition and disposal of property, conservation easements, access easements, and complex lease arrangements.
- Oversight and management of a large and shifting portfolio of water rights, including water necessary for state parks, fish hatcheries, and state wildlife areas.
- The large body of civil and criminal law that CPW's Peace Officer Standards and Training (POST) certified officers enforce.
- Coordination with local district attorney offices on violations of wildlife laws and other offenses.
- Coordination with the Department of Agriculture when there is jurisdictional overlap between the two agencies.
- Dispute resolution regarding conflicts between user groups.
- Advising the Parks and Wildlife Commission on open meetings issues, conflicts, and institutional authority matters.
- CPW's participation in multi-state endangered fish recovery programs that are essential for continued authority for water depletions from the Colorado and Platte Rivers.

DOL attorneys also represent CPW in litigation, which can be extremely time-consuming and, because of time pressure, can preclude any work on the many other components of an attorney's workload.

Finally, DOL attorneys advise CPW on CORA requests that require legal expertise. Under the Colorado Open Records Act, citizens have the right to ask to inspect public documents retained by state and local agencies. Unless specifically outlined in Colorado statute, CPW documents are open to the public and can be requested at any time. State statute governs CPW's duties and requirements with regards to CORA requests, including timeframes for response, the format of responses, costs that can (and cannot) be passed on to requesters, duties with regard to electronically-stored databases, and many other aspects. CPW's CORA program is managed by the division's Public Information Section and is staffed with 2.0 FTE. Based on their position descriptions, each of these positions is anticipated to spend about 10 to 20 percent of its time on CORA work, with other public information duties taking up the rest. However, to accommodate the workload necessary to respond to the growing number of CORA requests, CPW added a temporary staff who dedicates 100 percent of their time to processing the requests.

Problem or Opportunity:

The CPW team of attorneys at DOL has experienced staffing vacancies in the recent past, but as of October 2018 has been fully staffed. Despite this, DOL attorneys struggle to maintain the level of legal support required by CPW and its broad-ranging mission. DOL frequently must reallocate attorneys from other teams to absorb research and other projects associated with CPW. As an example of this, for a significant portion of FY 2018-19, CPW has been reallocated 50 percent of the working time of a DOL attorney that is officially assigned to the State Land Board. This arrangement terminated at the end of FY 2018-19, and it is unlikely that the Land Board can continue to forego a significant portion of their legal services allocation for Fiscal Year 2019-20. A second Land Board attorney has devoted significant hours to assisting CPW with CORA inquiries. A third attorney, who is funded by the Species Conservation Trust Fund to work on threatened and endangered species issues often has to shift over to assist with Parks and Wildlife legal services needs, leaving the Endangered Species legal program understaffed. CPW observed a significant increase in total legal hours for Fiscal Year 2018-19 relative to the last few fiscal years:

Legal hours worked on behalf of CPW - Department of Law				
	FY 2015-16	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**
Parks Purpose	3,360.5	2,709.7	1,922.9	3,943.0
Wildlife Purpose	9,173.1	8,980.7	9,801.1	10,322.0
Total Hours	*12,533.6*	*11,690.4*	*11,724.0*	*14,265.0*

In addition to the large current workload maintained by DOL attorneys, the diverse nature of CPW's mission has resulted in a large number of projects and issues that are not currently being addressed. A recent review of legal research, analysis, and other projects requested by CPW that DOL attorneys have not yet been able to address includes 24 separate items. Many of these are complex in nature, involve high priority issues with potential liability, or both. CPW is precluded from listing specific projects for confidentiality reasons, but some of the general categories of work in this backlog include:

- Water rights and other contentious water issues, including multi-jurisdictional issues;
- Issues surrounding the use of firearms and archery equipment by convicted felons;
- Contract disputes including large (more than $7.0 million) capital construction projects;
- Real estate projects including clarification of conservation easement concerns, appraisal procedures, and property taxation;
- Risk management and insurance requirements;
- Interagency memorandums of agreement;

- Frequent access disputes with federal land management agencies for maintenance of CPW facilities on federal lands;
- Review and revision of aquatic wildlife regulations, including those governing importation, transportation, and unregulated wildlife; and
- Securing and enforcing federal and state trademark protection for CPW's logo and name.

It is difficult to project the full workload in hours for this list of projects, given the vagaries of legal issues. Projects that appear to have a very broad scope are sometimes resolved very quickly, and projects that seem simple quite often turn out to be very complex. As one example, Navajo State Park lies on the border of Colorado and New Mexico, and law enforcement on the lake frequently involves officers from both states. At the request of CPW, DOL attorneys began researching a simple memorandum of understanding that would establish shared standards and practices for the two jurisdictions and facilitate joint operations. DOL staff initially estimated that this task would take about 20 hours of attorney time. Since this initial estimate, complications with insurance coverage, evidence handling and retention issues, property seizure practices, and other issues have resulted in more than 100 hours of staff time, including time-consuming trips from Denver to southwestern Colorado for site visits and meetings.

The preceding list of "extra" legal work required by CPW was a snapshot that captured the situation as of June 2019. Although the specific project list has evolved, the continual impacts of additional workload have not. Projects are continually emerging, while other issues are resolved. CPW and DOL staff believe that the overall workload associated with CPW has steadily increased over time, roughly corresponding to the increase in the usage and popularity of the recreation opportunities CPW offers.

Concurrent with this large (and increasing) traditional legal workload, CPW has experienced a marked increase in both the quantity and legal complexity of CORA requests. Total CORA requests received by CPW since 2015 (calendar year) are as follows:

2015: 133 requests
2016: 144
2017: 235
2018: 332
2019: 275 through September 30 (projects to about 367 for the calendar year)

For a typical CORA request, CPW has three working days to compile a response. The sheer volume of requests for the last two years has made meeting this deadline problematic at times. CPW's current staff dedicated to CORA requests are in the Administrative Assistant job classification and have no legal expertise. Historically, positions at this class code have been sufficient to handle the complexity of a typical CORA request, but CPW has noticed a trend toward complex cases that require judgment beyond that typically associated with the Administrative Assistant job classification. CPW consulted with or referred CORA requests to DOL attorneys at least 11 times in calendar year 2018, and anticipates at least as many instances in 2019.

Examples of the type of legally complex or ambiguous CORA requests that CPW has received include:

- Requesters use of CORA to compile detailed information about species harvest numbers and locations, with the end goal of developing commercial hunting applications.

- CORA requests that encompass a large number of partners (federal, state, local, non-profit) and complex multi-use memorandums of understanding. In these cases, it can be unclear to CPW staff exactly what information CPW is required to provide.
- Complex vendor records and operating agreements.
- Requests regarding the separation of employees and other personnel matters.

Having staff at the Administrative Assistant job classification in a position where they might have to make fine legal distinctions is not fair to the staff and could expose CPW to liability. For example, implementation of CORA entails review for privileged documents and documents that may be withheld at the discretion of the agency. Legal review is required for these decisions as well as for preparation of documentation of records withheld. In addition, case law regarding the "public interest" exception to CORA is not well developed in the context of CPW-specific records (e.g., data that reveal the location or migration habits of sensitive wildlife species), nor have the courts opined on new amendments to CORA that govern electronic databases. CPW receives CORA requests for data that involve one or both of these "gray areas" of case law, and these almost always require input and analysis from CPW's attorneys. In addition, when confidential information is inadvertently disclosed, attorney participation is typically required to address the aftermath of the disclosure.

Proposed Solution:

An additional Assistant Attorney General (AAG) in the Department of Law dedicated specifically to CPW legal issues will help with the backlog of legal issues that need to be addressed, and also serve as a resource that can be used when CPW receives legally complex CORA requests. As such, DNR requests an additional $191,880 in ongoing cash spending authority for the department's Legal Services line item, which will support 1,800 hours of additional legal support beginning in FY 2020-21. The Department of Law will submit a corresponding non-prioritized budget request for 1.0 FTE and the same amount of reappropriated cash spending authority to support the position.

Utilization costs for the position will then be billed to DNR (and allocated to CPW) via DOL's existing billing process. DNR will use its increased spending authority to cover increased bills, and DOL will utilize its reappropriated spending authority to cover FTE and related costs.

Without additional legal support from an FTE in the AG's office, CPW will experience ongoing delays to the backlog of legal projects facing the agency. CPW will also continue to face the issue of legally complex CORA requests being handled by staff with insufficient legal experience, potentially exposing the division to liability issues.

CPW has examined alternatives solutions for additional legal help from two possible sources. The Public Information section reviewed all existing positions for capacity, to see if some positions could pick up additional CORA workload on an ad hoc basis. The majority of the unit's staff are Public Information Officers and are already extremely busy. Many staff are out of the office on a regular basis, often in remote parts of the state, and relying on them to be consistently available for CORA work is simply not practicable. CPW also examined adding additional temporary staff to the unit, but one of the fundamental proficiencies of the job is an in-depth knowledge of CPW and its functions; knowing the appropriate subject matter experts to consult for a given CORA request is vital, especially given the three-day turnaround for most requests. Temporary staff will also almost certainly not possess legal knowledge or experience, and thus will not alleviate the issue CPW is experiencing with legally complex requests.

Anticipated Outcomes:

Additional attorney support will reduce the backlog of pending legal projects over time. This additional help will also free up existing attorneys to focus on their assigned workload and not get drawn into emergent issues. Increased legal assistance for CORA requests will help CPW ensure prompt and accurate responses, and help reduce liability and potentially harmful release of records that could or should be withheld.

Assumptions and Calculations:

The Department of Law uses 1,800 working hours per year as the standard for new FTE hires. The blended rate for legal services of $106.60 is in effect for FY 2019-20 and is being used as a placeholder in this request. The blended rate in effect for FY 2020-21 will likely be slightly different. If this request is approved, DNR requests that the final amount of increased appropriations to the department’s Legal Services line item be calculated based on the final blended rate for FY 2020-21.

Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-07 Water Conservation Specialist

Dept. Approval By:

OSPB Approval By:

___	Supplemental FY 2019-20
___	Budget Amendment FY 2020-21
X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	Total	$29,198,864	$0	$30,999,764	$116,524	$111,821
	FTE	4.0	0.0	4.0	1.0	1.0
	GF	$5,123,120	$0	$5,388,185	$0	$0
	CF	$22,787,139	$0	$24,259,373	$116,524	$111,821
	RF	$667,845	$0	$671,640	$0	$0
	FF	$620,760	$0	$680,556	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Health, Life, And Dental	Total	$16,667,226	$0	$18,111,372	$10,042	$10,042
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$3,239,669	$0	$3,481,030	$0	$0
	CF	$12,782,471	$0	$13,953,030	$10,042	$10,042
	RF	$312,561	$0	$304,377	$0	$0
	FF	$332,525	$0	$372,935	$0	$0
01. Executive Director's Office, (A) Administration, (1) Administration - Short-Term Disability	Total	$179,974	$0	$186,465	$140	$140
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$28,127	$0	$31,701	$0	$0
	CF	$142,236	$0	$144,166	$140	$140
	RF	$5,306	$0	$5,829	$0	$0
	FF	$4,305	$0	$4,769	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
	Total	**$5,976,962**	**$0**	**$6,146,455**	**$4,115**	**$4,115**
01. Executive Director's Office, (A) Administration, (1) Administration - Amortization Equalization Disbursement	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$927,662	$0	$937,727	$0	$0
	CF	$4,732,346	$0	$4,876,585	$4,115	$4,115
	RF	$174,989	$0	$180,717	$0	$0
	FF	$141,965	$0	$151,426	$0	$0
	Total	**$5,976,962**	**$0**	**$6,146,455**	**$4,115**	**$4,115**
01. Executive Director's Office, (A) Administration, (1) Administration - Supplemental Amortization Equalization Disbursement	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$927,662	$0	$937,727	$0	$0
	CF	$4,732,346	$0	$4,876,585	$4,115	$4,115
	RF	$174,989	$0	$180,717	$0	$0
	FF	$141,965	$0	$151,426	$0	$0
	Total	**$397,740**	**$0**	**$409,007**	**$98,112**	**$93,409**
06. Colorado Water Conservation Board, (B) Special Purpose, (1) Special Purpose - Water Conservation Program	FTE	4.0	0.0	4.0	1.0	1.0
	GF	$0	$0	$0	$0	$0
	CF	$397,740	$0	$409,007	$98,112	$93,409
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Natural Resources Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department Priority: R-07
Request Detail: Water Conservation Specialist

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	**FY 2020-21**	**FY 2021-22**
Total Funds	**$0**	**$116,524**	**$111,821**
FTE	0.0	1.0	1.0
General Fund	$0	$0	$0
Cash Funds	$0	$116,524	$111,821
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

Summary of Request:

The Colorado Water Conservation Board (CWCB) requests an increase of $116,524 cash funds from the CWCB Construction Fund and 1.0 FTE for a Physical Science Researcher/Scientist IV (PSRS IV) in the Water Supply Planning Section (WSPS) starting in FY 2020-21. This position will help CWCB achieve Water Plan goals for water conservation and land-use. Ongoing costs will annualize to $111,821 in FY 2021-22 and beyond.

Since the release of the Water Plan in 2015, the CWCB has determined that the one position currently dedicated to water conservation programming is insufficient given the magnitude of work needed for the state to make more significant progress towards meeting water conservation goals. The requested FTE will provide overall vision and guidance on how to enhance and expand the state's current water conservation programs, improve the integration of water efficiency into land use planning, and further explore opportunities for water reuse. This will enable the CWCB and its stakeholders to identify shortfalls related to water conservation and develop more training and tools to address them. The CWCB will also be able to provide technical expertise to assist stakeholders in implementing water conservation, efficiency, and land use practices throughout the state.

Current Program:

The CWCB's Water Supply Planning Section delivers water efficiency-related technical and financial assistance to a large number of municipal and special district water providers, sister agencies, and non-profits statewide. This includes:

- Reviewing water efficiency plans of large municipal water providers;
- Providing general technical assistance to water providers in implementing water efficiency programs and standards;
- Administering the Water Efficiency Grant Fund (averaging 14 multi-year grants and $535,000 annually);
- Collaborating with the Department of Local Affairs and numerous non-governmental organizations to provide technical and financial assistance to water providers, land use professionals, elected officials, and non-profit professionals on the topic of integration of water efficiency into land use planning;
- Working with partners to explore and develop opportunities for water reuse; and
- Managing the Water Conservation and Land use grant categories of the Water Plan Grant Program (conservation and land use grant awards have totaled about $1 million per year since 2017) and the Water Efficiency Grant Program (grant awards averaged about $535,000 per year since 2013).

Problem or Opportunity:

Faced with a looming water supply shortage of 560,000 acre-feet by the year 2050 if Colorado's population doubles, as it is projected to do, water conservation, thoughtful land-use decisions, and exploring opportunities to reuse water are and will be critical to reduce municipal and industrial water demands. These efforts could potentially eliminate, reduce, or postpone the need for new major water supply projects and wastewater facilities in the future.

In recognition of the importance of conservation and land-use in meeting the water supply gap, Colorado's Water Plan, released in 2015, includes the following two goals:

1. attain 400,000 acre-feet of municipal and industrial water conservation by 2050; and
2. achieve 75 percent of Coloradans living in communities that have incorporated water-saving actions into land-use planning by 2025.

These are challenging goals for the state's water providers and local governments to meet without significant additional technical and financial support. While the CWCB is well-suited to provide this support with some of its existing programs and staff expertise, it has become apparent over the past two years that the CWCB has not been able to sufficiently meet the needs of stakeholders. Water providers, local governments, and non-government organizations need additional training, tools, and financial assistance in order to have the best chance of meeting the Water Plan goals. While the CWCB has 1.0 FTE dedicated to working with partners to achieve these goals, other western states, such as Texas and California, have approximately 24.0 and 42.0 FTE, respectively, doing work in water efficiency, land-use and water reuse. Normalizing for population, this is the equivalent of 4.0 to 5.0 FTE carrying out the same duties that the WSPS is shouldering in Colorado at the present time. An additional position in the WSPS is needed to:

- **Provide increased technical assistance for water efficiency planning and implementation.** Based on the section's experience, water providers would benefit from additional tools for better water efficiency implementation methods and forecasting practices. Currently, the WSPS is able to consistently reach around 70 water providers annually out of approximately 400 water providers statewide. Given additional staff resources, the CWCB would like to expand that outreach by an additional 80 water providers to reach the 150 water providers that have the greatest collective impact on the state's water demands. The largest water providers (approximately 83 that deliver more than 2,000 acre feet of water per year) are required to have a CWCB approved water efficiency plan in order to access state funding but currently only 63 have approved plans. The WSPS works primarily with the aforementioned 70 water providers through water efficiency plan review and implementation work stemming from approved plans. The current staffing level does not allow for more tailored outreach for implementing measures identified in these plans, consistent follow up for the out of compliance water providers required to have a plan, nor the ability to carry out an expedient review process. While the section adheres to the statutory 90-day initial review window, the subsequent review periods to work through deficiencies take time to complete.

With an additional FTE, the CWCB could increase the number of approved plans and improve the quality of the plans' content. For example, many of the demand reduction projections in approved plans are educated guesses and could be improved with more advanced forecasting methods. This in turn would provide more accurate statewide water supply and demand projections. The new FTE will work with water providers to provide better water demand projection and reduction tools and models to refine their demand reduction estimates when creating plans based on their water efficiency programming. These advances require research, technical work, and outreach to water providers to ensure the tools and models are appropriate for water providers. The state will benefit from a broader, more comprehensive vision that the requested position will bring, by focusing on creating innovative policies and expanding water efficiency and implementation to match the water demand challenges Colorado faces and thereby improve the likelihood of meeting the conservation and land use goals in the Water Plan.

- **Expand the Colorado Water Loss Initiative.** The Colorado Water Loss Initiative is a two-year minimum program to build the capacity of local water providers to implement more efficient and economic water loss control and management practices in their water systems. While water loss control is not new, the adoption of advanced best practices has been a more recent occurrence across the United States, especially in Colorado. The focus of the first phase of the Colorado Water Loss Initiative is to train water providers in the basic skills of completing a water loss audit of their water system and to apply best practices to validating the data they collect to ensure a good foundation for subsequent interventions. In this management strategy, water efficiency is implemented at a water provider system level rather than targeting the end user or customer. This is a more efficient and effective method for water efficiency while training water providers to manage their water systems in a more cost effective manner. When water providers "lose water" in the system, they cannot charge customers for it. Water loss from water provider systems is costly and inefficient, and implementing water efficiency measures to reduce water loss is a key strategy in conserving water and reaching the water plan goal.

  Colorado is one of four states implementing a statewide water loss control program at this scale. The other three states,—California, Georgia, and Hawaii—have 4, 7 and 3 dedicated staff members, respectively, that work on water loss control as their primary responsibility. Colorado is the only state without dedicated staff. Currently, 118 water providers are enrolled in the program and will be engaged on a recurring basis over the next two or more years to improve their water loss management in their water systems. With the additional 1.0 FTE, in FY 2020-21, the WSPS will be ready to provide more advanced training to water providers on how to identify cost effective interventions, such as understanding sources of leakage and dividing up distribution system into management zones. This position will allow for: an increase in participant recruitment, better evaluation of the program, the creation of multiple levels of training for water providers with different resources and capacity, and the evaluation of the next steps in water loss control policy. A statewide water loss training program and water loss control policy is beneficial to Colorado because it helps water providers improve their water system integrity, manage their systems more cost effectively, and helps attain the Water Plan goal of a 400,000 acre foot demand reduction by reducing water losses in water systems statewide.

- **Expand the integration of water efficiency and land use planning statewide.** As Colorado's population continues to grow, the effective, sustainable, and predictable land-use planning is essential in order to decrease the water supply gap. In recognition of the land-use goal in the Water Plan, and the importance of land-use on water supply management, the General Assembly passed S.B. 15-008, which requires CWCB in consultation with DOLA to develop training programs for local governments and water planners. Accordingly, CWCB and DOLA developed training programs for local government water providers and land use planners on best practices for water demand management, water efficiency, and water conservation. This includes CWCB developing preliminary training resources, including three resource modules, five webinars, and a train the trainer workshop. However, the intent of the program is to train water providers and land use planners in progressively more advanced topic areas on a continual basis. Colorado is leading the nation in groundbreaking research and collaborative projects in this area. Recent research[1] in Colorado demonstrated that by increasing density and changing outdoor landscape patterns, water demand can be significantly reduced. When we build new development with water efficient land use design, it is a much cheaper and effective way to reduce water demand instead of retrofitting existing development one house at a time.

  To continue the intent of the training program and to build on the growing body of research, the WSPS needs to create statewide tools and models that assist local governments and water providers in: quantifying possible water demand reductions by development or housing type, creating more advanced cross training opportunities for land use planners and water providers, creating more original research to fully understand the impacts new development has on water demand and supply, and exploring new policies in land and water integration, such as incentive based measures that promote water conscious development. Currently, the WSPS only reaches approximately 35 municipalities and 8 counties (or about 38% of Coloradans) statewide through grant funded projects and multiple partnerships. With an additional FTE, the WSPS would expand this to help reach the Water Plan goal and offer more advanced training and resources for early adopters. With these additional tools and programing, the state will have better informed and connected land-use and water managers that are able to make decisions in the best interest of the state's growing population given its limited natural resources.

- **Work with stakeholders to cultivate innovative model projects to take advantage of funding opportunities available through the Water Efficiency Grant Fund and the Colorado Water**

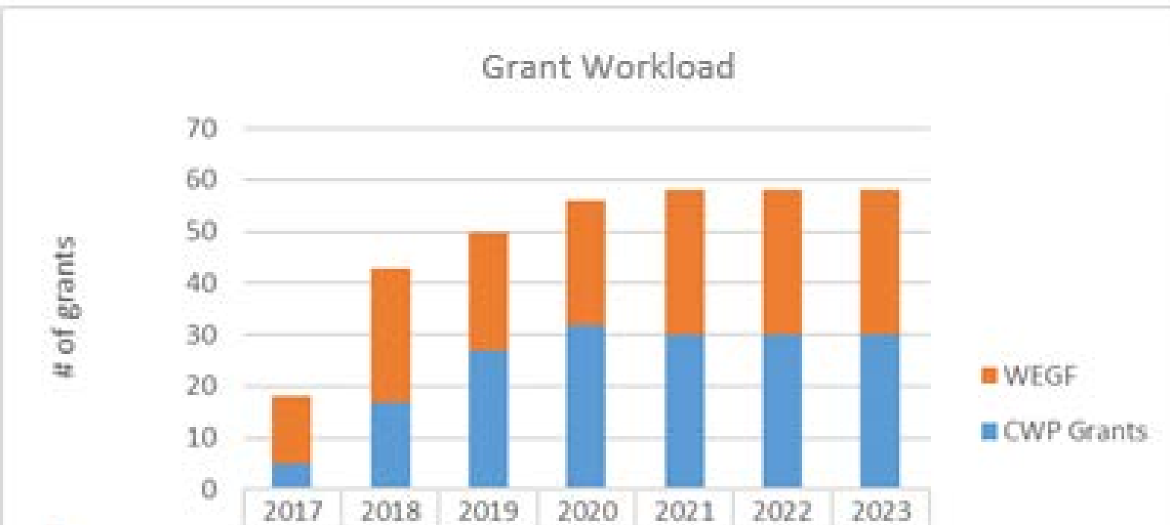
[1] Colorado Water and Growth Dialogue; Keystone Policy Center; September 2018

Plan Grant Program. The section manages two grant programs as a means to provide financial support for stakeholders working to implement the Water Plan: Water Efficiency Grant Fund (WEGF) and Colorado Water Plan Grants (CWP Grants).

Water Efficiency Grant Fund

The Water Efficiency Grant Fund was created in 2006 and provides financial assistance to communities, water providers and eligible agencies for water conservation-related activities and projects. Eligible entities receive funding to develop water conservation and drought plans, implement water conservation goals outlined in a water conservation plan, and educate the public about water conservation. The section is responsible for administering 14 grant awards on average per year. If the current trends hold, the section will be managing 24-28 water efficiency grants for a total of between $820,000-960,000.

The figure below shows the increase in the volume of grants managed by the section. The total number of grants is expected to level off at around 58 grants per year as actively managed grants are closed out (with an average lifecycle of two to three years) and new applications are processed.



	2017	2018	2019	2020	2021	2022	2023
WEGF	13	26	23	24	28	28	28
CWP Grants	5	17	27	32	30	30	30

Colorado Water Plan Grants

Since the advent of Colorado's Water Plan, the WSPS is responsible for managing the Water Conservation and Land-Use categories in the Water Plan Grant Program. This grant program funds a range of projects such as large scale high water landscape transformation, implementation of technological solutions for water metering and customer communication, water and land use training, water and land use planning, and creation of water efficiency and land use guidance documents for water providers. The grant program has two rounds of funding annually and there are currently 20 ongoing Water Conservation and Land-Use grants (2019 only represents round one for the year but is projected to receive 7 more grants in second round). Each grant will likely span 3 years, meaning the cumulative effect of these grants will be especially impactful in the near future. One grant has been completed at present time and if current trends hold, by FY 2020-21 the section will be managing approximately 30-32 grants for a total of between $3-3.5 million dollars in projects.

The work required in both grant programs includes reviewing applications, processing contracting documents and invoices, and tracking progress. There is also a significant amount of work on the front end recruiting applicants and helping to develop projects that align with the goals of the programs. Additionally, the WSPS serves in an advisory expert capacity on almost all current ongoing grants which adds an extra burden. With ongoing funding for these grants, there is a compounding effect on workload with monitoring and administering grant funding for awarded projects while new grant applications require review and technical input. As the grant programs continue to grow and receive additional interest, additional staff resources are needed to ensure the applications are reviewed comprehensively and there is sufficient project implementation. The continued success of the grant programs will require an FTE who is knowledgeable of the evolving urban water demand management and land use planning and able to work with stakeholders to cultivate projects that provide the maximum water conservation benefits for the state. This FTE is also needed to provide technical assistance throughout a project's implementation to monitor and ensure that the state's funding is being used as intended.

Proposed Solution:

The ongoing funds in the amount of $116,524 in FY 2020-21 and $111,821 for FY 2021-22 will be invested in a new State Water Conservation Manager (PSRS IV) to guide and support the current Water Conservation Specialist. The request does not financially impact other departments nor does it require a statutory change.

The requested 1.0 FTE will mitigate the increased and sustained workload stemming from the Colorado Water Plan and support the goals of the WSPS and the Colorado Water Plan. An additional FTE will provide the resources necessary to:

- Improve Water Efficiency:
  - Increase outreach to water providers.
  - Review and approve 5-10 additional water efficiency plans annually by expediting review times of these plans as well as reaching water providers who are lapsed in submitting plans.
    - Statute requires a maximum 90-day review period, which the section complies with, but there are always 2nd and 3rd reviews to work through deficiencies. Average total review time is a little over 200 days. Adding an FTE would free up time to review plans more quickly and decrease the total review time to an estimated 90-day period.
  - Inventory existing water efficiency statutes and guidelines for revision and improvement.
- Expand the Colorado Water Loss Initiative to include more advanced levels of training and facilitate the creation of over 100 validated annual water loss audits statewide.
  - Examine prioritization of state funds for those water providers adhering to water loss control best practices.
- Position Colorado to reach the Water Plan goal of 75% goal of Coloradans living in communities that are integrating water efficiency into land use planning.
  - Develop additional basic and new advanced training initiatives.

- Identify gaps in knowledge, practice, and policy of local governments and water providers.
    - Align gaps with new guidance documents and incentive-based legislation/policy to drive water conscious development.
- Develop quantification tools for better estimating water demand reductions stemming from water efficiency programming and integration of water efficiency into land use planning.
- Evaluate impacts of grant programs in relation to Colorado Water Plan goals.
- Continue working with CDPHE to establish a comprehensive set of regulations for all types of water reuse.

While progress has been made towards the goals of Colorado's Water Plan, without an additional 1.0 FTE to expand training and technical assistance programs described in the previous section, the agency believes meeting the water conservation and land use goals in the Water Plan will be difficult. Furthermore, with increasing numbers of Water Plan Grants added each year in the Water Conservation and Land Use grant program area, continued recruitment of quality projects and sustained management of ongoing grants will become very difficult. The addition of an FTE will make it possible to evaluate and manage this area successfully and grow the program. Evaluation of ongoing grant projects will be critical to assess progress towards achieving goals in the Colorado Water Plan. The section is delivering quality service to the CWCB's customers but without the addition of the FTE, critical goals for the water plan will be difficult to attain, further expansion of the program to address the recommendations of the Colorado Water Plan is not possible, and the high quality of customer service will diminish.

Anticipated Outcomes:

If this proposal is approved, the outcomes will be defined in terms of expansion of existing programs as well as identification of additional new areas for expansion. The new FTE would take on the management and direction of all water efficiency, water efficiency and land use integration, and water reuse programming. Improved metrics could include: expedited review times for water efficiency plans, statewide adoption of water loss control best practices and validated audits for at least 100 water providers in the next 3 years, creation of one or two new water efficiency planning tools in the next 3-5 years, evaluation of grant programs leading to program improvements, and expansion of program areas including policy development. Adding a State Water Conservation Manager is the preferred solution to addressing workload challenges in the Water Supply Planning Section for addressing a variety of water conservation related needs and meeting related goals in the Colorado Water Plan.

Assumptions and Calculations:

Cash funds will be used for this position and that funding will be provided from the CWCB Construction Fund. The salary assumes the minimum end of the salary range and that, in FY 2020-21, new employees will be paid on a bi-weekly basis. The total costs for FY 2020-21 will be $116,524. Ongoing costs will be $111,821 starting in FY 2021-22.

FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

General Fund FTE -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE** to account for the pay-date shift (25/26 weeks of pay). **This applies to personal services costs only; operating costs are not subject to the pay-date shift.**

Expenditure Detail		FY 2020-21		FY 2021-22	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
CWCB Water Conservation Specialist PSRS IV	$3,165	1.0	$82,296	1.0	$82,296
PERA			$8,970		$8,970
AED			$4,115		$4,115
SAED			$4,115		$4,115
Medicare			$1,193		$1,193
STD			$140		$140
Health-Life-Dental			$10,042		$10,042
Subtotal Position 1, #.# FTE		**1.0**	**$110,871**	**1.0**	**$110,871**
Classification Title	Biweekly Salary	FTE		FTE	
			$0		$0
PERA			$0		$0
AED			$0		$0
SAED			$0		$0
Medicare			$0		$0
STD			$0		$0
Health-Life-Dental			$0		$0
Subtotal Position 2, #.# FTE		**-**	**$0**	**-**	**$0**
Subtotal Personal Services		1.0	**$110,871**	1.0	**$110,871**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	1.0	$500	1.0	$500
Telephone Expenses	$450	1.0	$450	1.0	$450
PC, One-Time	$1,230	1.0	$1,230		
Office Furniture, One-Time	$3,473	1.0	$3,473		
Other					
Other					
Other					
Other					
Subtotal Operating Expenses			**$5,653**		**$950**
TOTAL REQUEST		1.0	**$116,524**	1.0	**$111,821**
	General Fund:				
	Cash funds:		*$116,524*		*$111,821*
	Reappropriated Funds:				
	Federal Funds:				

Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-08 Watershed and Flood Protection Specialist

Dept. Approval By: Carly Jacobs

OSPB Approval By:

	Supplemental FY 2019-20
	Budget Amendment FY 2020-21
x	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	Total	$33,164,259	$0	$35,062,488	$0	$0
	FTE	31.0	0.0	31.0	1.0	1.0
	GF	$5,123,120	$0	$5,388,185	$0	$0
	CF	$26,752,534	$0	$28,322,107	$0	$0
	RF	$667,845	$0	$671,640	$0	$0
	FF	$620,760	$0	$680,556	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Health, Life, And Dental	Total	$16,667,226	$0	$18,111,372	$10,042	$10,042
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$3,239,669	$0	$3,481,030	$0	$0
	CF	$12,782,471	$0	$13,953,030	$10,042	$10,042
	RF	$312,561	$0	$304,377	$0	$0
	FF	$332,525	$0	$372,935	$0	$0
01. Executive Director's Office, (A) Administration, (1) Administration - Short-Term Disability	Total	$179,974	$0	$186,465	$129	$129
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$28,127	$0	$31,701	$0	$0
	CF	$142,236	$0	$144,166	$129	$129
	RF	$5,306	$0	$5,829	$0	$0
	FF	$4,305	$0	$4,769	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Amortization Equalization Disbursement	Total	$5,976,962	$0	$6,146,455	$3,793	$3,793
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$927,662	$0	$937,727	$0	$0
	CF	$4,732,346	$0	$4,876,585	$3,793	$3,793
	RF	$174,989	$0	$180,717	$0	$0
	FF	$141,965	$0	$151,426	$0	$0
01. Executive Director's Office, (A) Administration, (1) Administration - Supplemental Amortization Equalization Disbursement	Total	$5,976,962	$0	$6,146,455	$3,793	$3,793
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$927,662	$0	$937,727	$0	$0
	CF	$4,732,346	$0	$4,876,585	$3,793	$3,793
	RF	$174,989	$0	$180,717	$0	$0
	FF	$141,965	$0	$151,426	$0	$0
06. Colorado Water Conservation Board, (A) Administration, (1) Administration - Personal Services	Total	$3,355,784	$0	$3,464,390	$85,233	$85,233
	FTE	31.0	0.0	31.0	1.0	1.0
	GF	$0	$0	$0	$0	$0
	CF	$3,355,784	$0	$3,464,390	$85,233	$85,233
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0
06. Colorado Water Conservation Board, (A) Administration, (1) Administration - Operating Expenses	Total	$536,887	$0	$536,887	$5,653	$950
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$536,887	$0	$536,887	$5,653	$950
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0
06. Colorado Water Conservation Board, (B) Special Purpose, (1) Special Purpose - Intrastate Water Management And Development	Total	$470,464	$0	$470,464	($108,643)	($103,940)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$470,464	$0	$470,464	($108,643)	($103,940)
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Natural Resources Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-08
Request Detail: Watershed and Flood Protection Specialist

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	**FY 2020-21**	**FY 2021-22**
Total Funds	**$0**	**$0***	**$0***
FTE	0.0	1.0	1.0
General Fund	$0	$0	$0
Cash Funds	$0	$0*	$0*
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

*This request is funded by the reallocation of spending authority within CWCBs existing budget and will not result in an increase to FY 2020-21 appropriations. The requested position will require $108,643 in reallocated funding in FY 2020-21 and $103,940 in FY 2021-22 and beyond.

Summary of Request:

The Colorado Water Conservation Board (CWCB) requests a budget neutral reallocation of $108,643 in cash spending authority from the CWCB Intrastate Water Management and Development line item to the CWCB Personal Services and Operating Expenses line items to support the addition of 1.0 FTE (Physical Science Researcher/Scientist III) for the Watershed and Flood Protection (WFP) Section. The position will be funded by the CWCB Construction Fund. Ongoing costs will be $103,940 starting in FY 2021-22.

As a result of growth in several programs managed by the WFP Section, and the increased need for technical assistance with wildfire and flood mitigation and recovery, the Section does not currently have enough staff to manage the workload. The new FTE will assist with flood planning, mitigation, and recovery as well as general watershed restoration needs. This will increase public safety, better protect property, and improve watershed health and the associated recreational opportunities.

Current Program:

The Watershed and Flood Protection Section derives its authority from the original 1937 act creating the CWCB, which tasked the agency with the "prevention of floods" (Section 37-60-106, C.R.S.). The WFP Section provides statewide technical and financial assistance related to watershed and stream restoration, flood and wildfire mitigation efforts, flood response and preparedness, coordinates with the National Flood Insurance Program, analyzes floodplain mapping, and permits and assists with weather modification activities.

The WFP Section currently consists of 5.0 FTE – a Section Chief and Engineer (who is the only registered engineer in the section), a Stream Restoration Coordinator, a Weather Modification Research/Scientist, a Community Coordinator for the National Flood Insurance Program, and a Flood Mapping Program Coordinator. The Community Coordinator for the National Flood Insurance Program and the Flood Mapping Program Coordinator are funded through Federal Emergency Management Agency (FEMA) grants, and because of this there is little flexibility in terms of their ability to assist with workload outside of their established federal partnerships.

The WFP Section is involved in managing several CWCB grant programs including the Colorado Watershed Restoration Program, the Water Supply Reserve Fund, and Colorado Water Plan grants.

- The Colorado Watershed Restoration Program (CWRP) is exclusively managed by the WFP Section and provides funding for watershed and stream restoration and flood mitigation projects throughout the state. Stream management planning was added to the CWRP when Colorado's Water Plan was completed in 2015.
- The Water Supply Reserve Fund provides grant funding to address projects identified by Colorado's Basin Roundtables to assist Colorado water users in addressing their critical water supply issues including watershed restoration projects and fire and flood related mitigation projects. For these types of projects, the WFP Section provides technical assistance and project oversight.
- The Water Plan Grant Program, now in its third year, has a category of grants dedicated to environmental and recreational projects.

Collectively, these grant programs support projects that restore and enhance watershed health and water-related recreational opportunities. The grant recipients are local governments, non-profit entities, and water districts. The current workload includes over 100 grantees and approximately $14 million in grant funding combined. The Stream Restoration Coordinator is primarily responsible for management of these grants, including approving scopes of work, issuing contracts, completing design reviews, processing invoices, reviewing semi-annual progress reports and final reports, and performing project inspections. Also, staff is often requested to serve on grantees' stakeholder groups as technical support. The increase in the number of grants and their associated work load has outpaced the Section's ability to effectively manage these grant programs.

A second understaffed program is the floodplain mapping program. Local communities and non-profit stakeholder groups receive technical information, expertise and funding through the WFP Section to prepare for, respond to, and recover from floods and flood risk. This can include estimates of flood risk for the community (i.e. floodplain mapping), assistance with floodplain management responsibilities, and assistance with the mitigation of flood risk (i.e. planning for and designing flood projects). The floodplain mapping program encompasses floodplain mapping updates through FEMA, management of LIDAR[1] data collection, river mainstem flood hydrology updates, and the Colorado Hazard Mapping Program. The outcomes of the floodplain mapping program support the goals of Colorado's Water Plan, as well as CWCB's statutory role in the "prevention of floods". This program provides technical information and expertise to support local floodplain management as well as technical and financial assistance for projects that optimize Colorado's water resources while addressing nonconsumptive uses and goals outlined in Colorado's Water Plan.

The current spending authority for the WFP Section is derived from Colorado's annual Long Bill, CWCB Projects Bill, and federal funds from FEMA. In addition, the section has received funds from the Colorado Division of Homeland Security and Emergency Management, which have been spent in response to emergency situations related to the 2013 flood recovery.

Problem or Opportunity:

There are not enough employees in the WFP Section to manage the current number of grants and their associated workload. There are two employees, the Section Engineer and the Stream Restoration Coordinator, on the team that manage over 100 grants at any given time along with their other responsibilities. This workload issue is discussed in more detail below.

a) **Increased demand for technical assistance and funding.** The section's Watershed Restoration Program administers flood recovery grants, Colorado Water Plan grants, and the expanding Colorado Watershed Restoration Program. Recent large wildfires have resulted in numerous requests for funding and technical assistance to recover from these wildfires, partly due to the successes identified in the $60 million Emergency Watershed Protection program in the wake of the 2013 floods. The funding for the Watershed Restoration Program grants went from an appropriation of approximately $2 million per year in FY 2016-17 to about $4 million per year for the last two years. Additionally, with the creation of the Water Plan Grant Program, the section has managed an additional $1.5 million worth of grants a year. This alone has more than doubled the workload to the WFP Section.

   Grant management also has a compounding effect on workload. Beginning with the upfront work to identify and cultivate appropriate projects and applicants, to reviewing applications and making funding recommendations, to ongoing fiscal oversight of the project until completion. The work load builds as new projects are identified and older grants begin invoicing. To illustrate this, see Figures 1 and 2 below. The total grant administration burden for this program was 42 projects worth $4.5 million in FY 2012-13 and it has grown to 128 projects worth $13.9 million in FY 2018-19 with additional projects on the horizon. In addition, at its peak in FY 2017-18, there were over 160 projects worth almost $63 million being actively managed.

[1] LIDAR (Light Detection and Ranging) is a surveying method using pulsed laser light and is used to make high resolution maps which are further used in a number of practical applications.

Figure 1

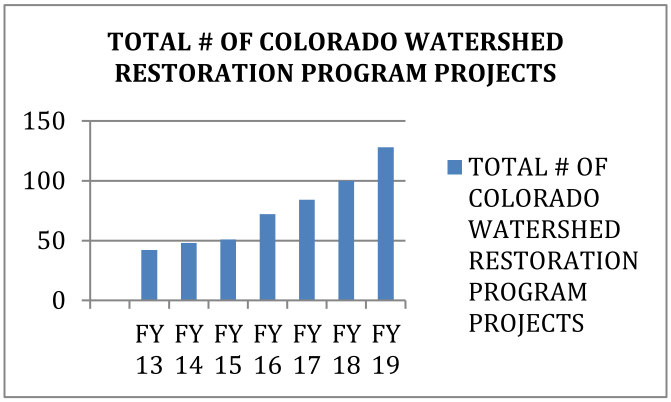
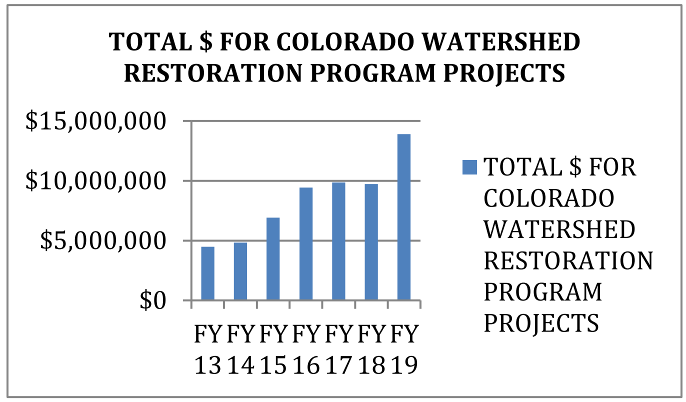


Figure 2



Note: The charts above do not include the one-time "Shock Costs" for projects related to the 2013 Flood. For example, in FY18, there were an additional 68 projects and $57.6 million to manage for Emergency Watershed Protection Program Projects.

b) **Emphasis on flood preparedness.** There has been an increased level of attention to general flood mitigation work as a result of efforts completed in the wake of the 2013 floods and the increased flood risk that has since been identified. The Section has played a key role in the Colorado Resilience Framework (a statewide planning effort to make Colorado resilient to all types of hazards), and has been tasked to lead the Watershed and Natural Resources section of this plan. Under current staffing levels, the WFP section does not have enough time and resources to effectively contribute to this plan.

c) **Increasing drought, wildfire, and flood events.** The state has seen an increase in the frequency and severity of drought, wildfire, and flooding, all of which impact this Section. This Section provides technical assistance to local communities around the state on flood, drought, and wildlife mitigation and recovery. With the frequency and severity of these events increasing, this Section needs to have the resources at hand to help with what can quickly become a health, life, and safety issue. Until recently, this section served primarily as a mitigation function. In recent years, the Section has evolved into performing response and recovery functions, both for wildfires (due to the nexus with post-fire flooding) and floods.

d) **Temporary staff do not provide long term solution and lack required knowledge and experience.** Growth in workload beyond the capacity of the current staff has negatively impacted the program. Impacts include missed opportunities to inspect projects and administrative delays in grant review and invoice processing. To provide a band aid for the problem, multiple former employees have been brought back as temporary employees to help on a short-term basis. However, this is an insufficient solution to the problem. The work is highly technical and hiring and training new temporary employees every couple months uses valuable time of permanent employees and does not effectively address the program's ongoing needs. In addition, staff members have been called on by the emergency management community to assist during and following disasters and temporary staff cannot perform this function.

e) **Floodplain mapping has become difficult to manage with existing resources.** Since FY 2012-13, nearly $42 million has been administered through this program. Most of these projects are multi-year in nature, meaning there is a cumulative effect to workload. The Section needs additional resources in order to manage new grant applications and keep up with the ongoing administration requirements of previously issued grants.

f) **Staff reduction and attrition has resulted in reduced customer service and product delivery.** In the past, the section was comprised of 6.0 FTE, and now the section has 5.0 FTE (1.0 FTE was repurposed under a former administration). Additionally, three full-time employees have resigned in the past two years, and indicated that workload was one of the primary reasons for leaving. Two temporary positions were assigned to assist with the floodplain mapping program and both employees resigned before their term was up, with each citing workload as a primary cause for leaving. Departing employees and continuously training new employees because of a high turnover is time consuming and adds to the workload problem.

Proposed Solution:

The CWCB requests the reallocation of funds for an additional 1.0 FTE to address the workload problem and focus on implementing the WFP Section's priorities and overall goal of preventing floods. An additional FTE will allow the section to keep up with increasing workload demands. The new employee will assist with professional engineer reviews as needed, provide additional support for flood mitigation and watershed restoration support services, and manage grant funds. The additional FTE will also assist with the floodplain mapping program through both technical input and grant management.

Communities that have recently experienced floods and other related natural disasters will specifically benefit from the additional staff. These stakeholders need services quickly, and the current workload simply does not allow for additional tasks to be taken on in the wake of disasters as staff struggles to meet their day-to-day workload responsibilities.

The consequences if an additional FTE is not approved include:

- less ability to provide support associated with fire and flood disasters,
- a general slowdown in delivery of services to customers,
- missed opportunities for funding and match funding sources,
- inability to complete projects on time,
- less ability to achieve Water Plan goals related to watershed health and stream management,
- technically inferior projects, and
- federal compliance issues if the Section is unable to properly attend to project details.

Anticipated Outcomes:

The additional FTE will allow the Section to more evenly distribute grant workload and also accommodate for anticipated future growth in grant management.

The new FTE will provide additional technical resources for the Section as a registered Professional Engineer. This will allow for increased internal capabilities without seeking these engineering services from external contractors. In programs dealing with public health, safety, and welfare, this is even more important because during emergency situations, there is often very little time to deal with procurement processes to obtain these services.

The additional FTE will greatly improve the service to other state agencies and departments who rely on the technical knowledge and experience of this Section as well as greatly improve the service to the general public.

The additional FTE will assist the agency with meeting measurable objectives outlined in Colorado's Water Plan. For example, Colorado's Water Plan sets a measurable objective to cover 80 percent of the locally prioritized lists of rivers with stream management plans, and 80 percent of critical watersheds with watershed protection plans, all by 2030. The requested FTE will help to meet these goals.

If the requested FTE is approved, CWCB anticipates a reduction in the need for temporary employees, a reduction in the per person grant management burden (lowering the ratio of grant managers to grants from more than 100:1 to closer to 50:1), and a greater ability to meet the performance metrics in Colorado's Water Plan.

Assumptions and Calculations:

Spending Authority Reallocation

This request assumes cash funds from the CWCB Long Bill line item "Intrastate Water Management and Development" will be reduced by a total of $108,643 in FY 2020-21 and reallocated to the CWCB Long Bill line items "Personal Services" and "Operating" as an offset to cover the costs of the requested FTE. This will result in a budget neutral adjustment to repurpose these funds. The cash funds identified to fund this request are previously reverted funds and the Department of Natural Resources recommends this reallocation to offset the cost of the requested FTE as a better reflection of CWCB's current needs. The funding from the IWMD line item appropriation is used for technical contractual support for feasibility studies as well as costs related to continual implementation and updates of Colorado's Water Plan. The IWMD line item reduction should not result in a service impact or negatively impact the CWCB's ability to reach performance goals in these programs at this time.

Salary Assumptions

This request assumes the salary at the minimum end of the salary range, plus the cost of associated compensation common policies and standard operating expenses.

FTE Calculation Assumptions:

__Operating Expenses__ -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

__Standard Capital Purchases__ -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

__General Fund FTE__ -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE** to account for the pay-date shift (25/26 weeks of pay). **This applies to personal services costs only; operating costs are not subject to the pay-date shift.**

Expenditure Detail			FY 2020-21		FY 2021-22	
Personal Services:						
Classification Title	Biweekly Salary		FTE		FTE	
CWCB Watershed FTE PSRS III	$2,918		1.0	$75,864	1.0	$75,864
PERA				$8,269		$8,269
AED				$3,793		$3,793
SAED				$3,793		$3,793
Medicare				$1,100		$1,100
STD				$129		$129
Health-Life-Dental				$10,042		$10,042
Subtotal Position 1, #.# FTE			**1.0**	**$102,990**	**1.0**	**$102,990**
Classification Title	Biweekly Salary		FTE		FTE	
				$0		$0
PERA				$0		$0
AED				$0		$0
SAED				$0		$0
Medicare				$0		$0
STD				$0		$0
Health-Life-Dental				$0		$0
Subtotal Position 2, #.# FTE			**-**	**$0**	**-**	**$0**
Subtotal Personal Services			1.0	**$102,990**	1.0	**$102,990**
Operating Expenses:						
			FTE		FTE	
Regular FTE Operating		$500	1.0	$500	1.0	$500
Telephone Expenses		$450	1.0	$450	1.0	$450
PC, One-Time		$1,230	1.0	$1,230		
Office Furniture, One-Time		$3,473	1.0	$3,473		
Other						
Other						
Other						
Other						
Subtotal Operating Expenses				**$5,653**		**$950**
__TOTAL REQUEST__			1.0	**__$108,643__**	1.0	**__$103,940__**
	General Fund:					
	Cash funds:			*$108,643*		*$103,940*
	Reappropriated Funds:					
	Federal Funds:					

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Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-09 Optimizing Inactive Mines Program Spending Authority

Dept. Approval By: Carly Mawks

OSPB Approval By:

	Supplemental FY 2019-20
	Budget Amendment FY 2020-21
x	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	Total	$2,550,014	$0	$2,610,847	$0	$0
	FTE	17.8	0.0	17.8	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$1,235,172	$0	$1,240,328	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$1,314,842	$0	$1,370,519	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
02. Division of Reclamation, Mining, and Safety, (B) Inactive Mines, (1) Inactive Mines - Program Costs	Total	$1,944,216	$0	$2,005,049	$605,798	$605,798
	FTE	16.3	0.0	16.3	1.5	1.5
	GF	$0	$0	$0	$0	$0
	CF	$629,374	$0	$634,530	$605,798	$605,798
	RF	$0	$0	$0	$0	$0
	FF	$1,314,842	$0	$1,370,519	$0	$0
02. Division of Reclamation, Mining, and Safety, (B) Inactive Mines, (1) Inactive Mines - Legacy Mine Hydrology Projects	Total	$384,636	$0	$384,636	($384,636)	($384,636)
	FTE	1.2	0.0	1.2	(1.2)	(1.2)
	GF	$0	$0	$0	$0	$0
	CF	$384,636	$0	$384,636	($384,636)	($384,636)
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
02. Division of Reclamation, Mining, and Safety, (B) Inactive Mines, (1) Inactive Mines - Reclamation of Forfeited Mine Sites	**Total**	**$121,162**	**$0**	**$121,162**	**($121,162)**	**($121,162)**
	FTE	0.3	0.0	0.3	(0.3)	(0.3)
	GF	$0	$0	$0	$0	$0
	CF	$121,162	$0	$121,162	($121,162)	($121,162)
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0
02. Division of Reclamation, Mining, and Safety, (E) Emergency Response Costs, (1) Emergency Response Costs - Emergency Response Costs	**Total**	**$100,000**	**$0**	**$100,000**	**($100,000)**	**($100,000)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$100,000	$0	$100,000	($100,000)	($100,000)
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	YES		
Type of Request?	Department of Natural Resources Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department of Natural Resources

FY 2020-21 Funding Request

November 1, 2019

Jared Polis
Governor

Dan Gibbs
Executive Director

Department Priority: R-09
Request Detail: Optimizing Inactive Mines Program Spending Authority

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	**FY 2020-21**	**FY 2021-22**
Total Funds	**$0**	**$0**	**$0**
FTE	0.0	0.0	0.0
General Fund	$0	$0	$0
Cash Funds	$0	$0	$0
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

Summary of Request:

The Department of Natural Resources requests a budget neutral Long Bill line item consolidation in the Division of Reclamation, Mining, and Safety's Inactive Mines Reclamation Program (IMRP). The consolidation of IMRP funds into a single Program Costs line item would address inefficiencies resulting from the current funding structure by combining several different appropriations and transfers that all originate from the Severance Tax Operational Fund and standardizing the terms of roll-forward spending authority.

Current Program:

Pursuant to Section 34-33-133, C.R.S., the Inactive Mines Reclamation Program is responsible for the protection of public health, safety, general welfare, and property from the dangers and adverse effects of past mining practices. This includes safeguarding abandoned mine openings, conducting reclamation projects at mine sites with insufficient bonds, and mitigating mining-related problems that contribute to degrading water quality (e.g. mill tailings piles, mine waste, and soil erosion). Since the Program's creation in 1980, over 10,700 hazardous mining features have been safeguarded and over 4,100 acres of mining-impacted lands have been reclaimed.

With the exception of small annual increases related to compensation common policies, total IMRP appropriations and staffing have remained constant over the past five years. The Program has an allocation of 17.8 FTE and is primarily supported by federal funding (54% of appropriations on average) and severance tax revenue from the Operational Fund (46%). It also receives funding from local entities partnering on reclamation projects at inactive mine sites. Severance tax funds are routinely used to leverage these partner funds at a rate of return of over 150%.

The IMRP also oversees the $100,000 Emergency Response Cost appropriation from the Severance Tax Operational Fund. This appropriation provides an immediately-available source of funding to help address public health, safety, or environmental emergencies that may arise at permitted or abandoned hard rock/metal mines, e.g. stabilizing dangerous high wall slopes, removing of hazardous materials, or preventing mine waste from interfacing with water sources. Because these funds are only expended on unforeseen emergencies at inactive mine sites, they may not be fully expended every fiscal year. Over the last five years, actual expenditures on emergency response have averaged $24,214.

Problem or Opportunity:

The current funding structure for the IMRP is not efficient. Although the origin of all cash funds is the Severance Tax Operational Fund, some severance tax revenue is transferred out to other cash funds before it is appropriated to the Program. There are also different time frames for expenditures with a mix of one-year and three-year spending authority for funds in the same line item that are used for similar purposes. The resulting budget is fragmented and difficult to manage, which limits the Program's effectiveness at prioritizing and conducting mine reclamation projects across the broad spectrum of inactive mine issues.

The Legacy Mine Hydrology Projects line item is one example of the challenge in prioritizing the expenditure of fragmented severance tax funds. This line is specifically intended to act as a match for Clean Water Act 319 funding. If the IMRPs ability to match "319" funds exceeds what is available for non-point source AML projects in a particular year, unused funds cannot be reallocated to other important projects like addressing forfeited mine sites or installing safety closures. With a consolidated line item, the IMRP could maximize the use of any underutilized match funds across different types of projects that cannot be funded out of the current line item. The IMRP would also gain the ability to maximize any available funding that required a match by accessing a larger pool of funds that could be allocated for that purpose.

The IMRP relies heavily on federal funding to mitigate safety hazards at abandoned mine sites, but because of the potential sunset of the federal Surface Mining Control and Reclamation Act (SMCRA) in 2021, significant uncertainty surrounds that historic funding source. The state Program places a high priority on addressing physical safety hazards as they generally pose the most life threatening situation to the public. If future shortfalls in federal funding of this type of work are realized, having the ability to dedicate additional existing resources to these priority sites will allow the program to provide a greater level of protection to the public.

Proposed Solution:

The proposal consolidates $605,798 in cash funds spending authority and 1.5 FTE from the Legacy Mine Hydrology Projects, Reclamation of Forfeited Mine Sites, and Emergency Response Costs line items into the existing IMRP Program Costs line item. Cash funds in the newly consolidated line item would be appropriated as Core Program funds from the Severance Tax Operational Fund and require three-year roll-forward spending authority though a Long Bill footnote.

Three-year roll forward spending authority is critical for IMRP funding because the Program works at project sites that are at high altitude and remote. The construction season at these sites is very short so projects typically take several years to complete. As an example, this year a number of project sites were inaccessible well into July due to the record snowpack in the mountains. Projects at these sites simply could not be started and finished in the few months left before winter weather returns.

Additionally, DRMS recommends an annual reporting requirement for the IMRP through a formal Long Bill Request for Information (RFI) as part of this proposal. The report would be submitted to the Joint Budget Committee and the General Assembly each year with the Department's November 1 budget request to detail expenses and accomplishments for completed projects. The consolidation would not limit the Program's ability to provide comprehensive project expense reports and an RFI with this data would help maintain transparency for expenditures within the IMRP Program Costs line item.

The Department respectfully requests that the Joint Budget Committee sponsor accompanying legislation to eliminate statutory transfers from the Severance Tax Operational Fund to IMRP cash funds.

Anticipated Outcomes:

The IMRP expects improved performance and customer service outcomes as a result of the changes. By consolidating IMRP appropriations into a single line item, redefining all cash funds as Core Program funding from the Severance Tax Operational Fund, and establishing consistent three-year spending authority, the Program would be able to evaluate all abandoned mine projects together and prioritize the most urgent and high risk sites overall, instead of working within each narrow subgroup of projects defined by the source of funds. This would allow the IMRP to be more effective at remediating hazardous conditions at inactive mines than it is under the current structure and increase the Program's capacity to accomplish additional priority mine reclamation work with the same amount of resources. Additionally, the increased flexibility of a single consolidated appropriation including funds rolled forward from prior years would allow the Program to access more funds to respond in the event of an emergency.

Assumptions and Calculations:

Below is the complete list of proposed modifications and consolidations required by this proposal:

Legislative Provisions

1. Eliminate the annual statutory transfer of $500,000 from the Severance Tax Operational Fund to the Abandoned Mine Reclamation Fund.
2. Eliminate the annual statutory transfer of up to $127,000 from the Severance Tax Operational Fund to the Reclamation Warranty and Forfeiture Fund.

Long Bill Line Item Consolidation

1. Eliminate the IMRP Legacy Mine Hydrology Projects and Reclamation of Forfeited Mine Sites Long Bill line items.
2. Eliminate the DRMS Emergency Response Costs line item.
3. Increase the IMRP Program Costs cash funds appropriation by a total of $605,798 in Core Program cash funds from the Severance Tax Operational Fund and 1.5 FTE:

Appropriation by Line Item	Cash Funds	FTE
Legacy Mine Hydrology Projects	$384,636	1.2
Reclamation of Forfeited Mine Sites	121,162	0.3
Emergency Response Costs	100,000	0.0
Consolidated IMRP Funds and FTE	$605,798	1.5

4. Change the letternote on all IMRP Program Costs cash funds appropriations to identify the Severance Tax Operational Fund as the source of funding.
5. Add a Long Bill footnote to the IMRP Program Costs line item to standardize three-year roll forward spending authority.
6. Establish a formal Long Bill Request for Information requiring an annual report to the General Assembly summarizing all reclamation projects developed and completed within the consolidated Program Costs line item appropriation.

Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-10 True-up of Coal Program Spending Authority

Dept. Approval By:

OSPB Approval By:

	Supplemental FY 2019-20
	Budget Amendment FY 2020-21
x	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	Total	$2,047,124	$0	$2,101,920	($164,500)	($164,500)
	FTE	20.0	0.0	20.0	(1.0)	(1.0)
	GF	$0	$0	$0	$0	$0
	CF	$460,052	$0	$471,599	($34,545)	($34,545)
	RF	$0	$0	$0	$0	$0
	FF	$1,587,072	$0	$1,630,321	($129,955)	($129,955)

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
02. Division of Reclamation, Mining, and Safety, (A) Coal Land Reclamation, (1) Coal Land Reclamation - Program Costs	Total	$2,047,124	$0	$2,101,920	($164,500)	($164,500)
	FTE	20.0	0.0	20.0	(1.0)	(1.0)
	GF	$0	$0	$0	$0	$0
	CF	$460,052	$0	$471,599	($34,545)	($34,545)
	RF	$0	$0	$0	$0	$0
	FF	$1,587,072	$0	$1,630,321	($129,955)	($129,955)

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Natural Resources Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department of Natural Resources

FY 2020-21 Funding Request

November 1, 2019

Jared Polis
Governor

Dan Gibbs
Executive Director

Department Priority: R-10
Request Detail: True-up of Coal Program Spending Authority

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	**FY 2020-21**	**FY 2021-22**
Total Funds	**$0**	**($164,500)**	**($164,500)**
FTE	0	(1.0)	(1.0)
General Fund	$0	$0	$0
Cash Funds	$0	($34,545)	($34,545)
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	($129,955)	($129,955)

Summary of Request:

The Division of Reclamation, Mining and Safety proposes an ongoing reduction of $164,500 total funds and 1.0 FTE to eliminate a permanently vacant position in the Coal Regulatory Program starting in FY 2020-21. The reduction is comprised of $34,545 cash funds from the Severance Tax Operational Fund and $129,955 federal funds. This proposal is part of a continuing effort by the Division to align staff and funding with changes in the coal industry.

Current Program:

The Division's Coal Regulatory Program protects public health, safety, and the environment by regulating coal mining activities in Colorado and ensuring mined lands are reclaimed to beneficial use. Colorado was granted the authority to regulate coal mines, called state primacy, following the passage of the federal Surface Mining Control and Reclamation Act (SMCRA), Title V of 1977. There are currently six producing coal mines and a total of 29 active permitted sites, covering approximately 167,000 acres. Active coal mines, both producing and in reclamation, are inspected monthly and there is a substantial amount of work involved in permit revisions and periodic report review. Reclamation at coal sites is phased in over a 10-year liability period to ensure plant regrowth is complete, which requires continued inspection by program staff over that duration of time.

The program has an FY 2019-20 appropriation of $2.2 million. Of this amount, 79.0 percent is federal funds from the U.S. Department of Interior – Office of Surface Mining with a 21.0 percent required cash match from the Severance Tax Operational Fund. The split between cash and federal funds is based on total permitted mine acres located on federally owned lands versus non-federal acres. The program is currently allocated 20.0 FTE, which includes technical, regulatory, and management staff, a grant/financial warranty specialist, administrative staff, and a share of central administrative staff that support the entire Division.

Problem or Opportunity:

Over the past five years, the number of FTE in the Coal Program has been reduced to mirror the current status of the coal industry and the gradual decrease in workload and available federal funding. The coal industry as a whole has been declining over the past decade and Colorado is no exception. Coal production in the state is down approximately 38% over the last 5 years (2014-2018). The number of permitted mines decreased from 36 in 2014 to 30 in 2018 due to the termination of jurisdiction of six fully reclaimed sites. This led to a 13% decrease in annual inspections from 375 to 326 and a 30% decrease in annual permitting actions from 141 to 99. Additionally, because grant funding from the U.S. Department of the Interior – Office of Surface Mining is generated based on Federal mine acres permitted, the closing and reclamation of mines has resulted in a gradual decline in federal funding for the Coal Program.

During this same period, permitted acres and bond liability for the currently-permitted sites have remained relatively constant. The remaining six producing mines are large and complex, and have either recently expanded or are currently undergoing expansion. Inspections and permit revisions for these sites are complicated and time-consuming, and they generate significant workload for Coal Program staff. This partially offsets the impact of the decrease in production so there is not a precise one-to-one relationship between production and workload. However, based on the net change to current workload and anticipated trends, Division leadership and program staff determined that the Coal Program could still perform its essential functions with one less Environmental Protection Specialist FTE.

A vacancy occurred in May 2019 when a Coal Program Environmental Protection Specialist (EPS) moved into a position in the Minerals Program. The duties and responsibilities of the position were distributed among remaining Coal Program staff without creating workload issues. The Coal Program has also been able to gain some efficiencies by having a qualified Minerals Program specialist conduct some coal inspections in the southwest corner of the state. As a result, the Coal Program believes that it is adequately staffed without backfilling the EPS position, resulting in an ongoing vacancy that will not need to be filled going forward.

Proposed Solution:

Given the permanent nature of the vacancy, the Division is proposing to eliminate the funding and FTE from the Coal Program budget. This would result in a decrease of 1.0 FTE and $102,040 total funds for personal services expenses, comprised of $21,428 cash funds from the Severance Tax Operational Fund and $80,612 in federal funds. The remaining $62,460 ($13,117 cash and $49,343 Federal funds) represents operating costs for the position and other programmatic costs that will no longer be incurred.

Anticipated Outcomes:

The proposed reduction would true-up the Coal Program appropriation with actual expenditures for personal services and the associated operating expenses for travel, training, supplies, equipment, etc. The Division does not anticipate any service impacts to either the mining industry or the people of the State of Colorado because the position is currently vacant and will not need to be refilled based on expected workloads and available funding. The Coal Program would still be able to meet all statutory requirements and fulfill its mission.

Assumptions and Calculations:

The reduction was calculated based on the FY 2020-21 base salary, PERA and Medicare for an Environmental Protection Specialist II position at 12 months of salary. The position has been vacant since May 2019, so it was not included in the July 2019 payroll data used to generate the FY 2020-21 total compensation request; as such, DRMS is not requesting a reduction to personal services common policy items. Operating expenses include general operating and telecom costs, and the average travel (hotel and per diem), mileage, training, and safety equipment expenses for a Coal Program Environmental Protection Specialist.

Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-11 Vehicle for Water Commissioner

Dept. Approval By:

OSPB Approval By:

___	Supplemental FY 2019-20
___	Budget Amendment FY 2020-21
X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	Total	$26,653,720	$0	$27,399,837	$6,208	$8,815
	FTE	247.0	0.0	247.0	0.0	0.0
	GF	$21,982,000	$0	$22,687,303	$6,208	$8,815
	CF	$4,573,268	$0	$4,614,082	$0	$0
	RF	$43,439	$0	$43,439	$0	$0
	FF	$55,013	$0	$55,013	$0	$0

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Vehicle Lease Payments	Total	$4,244,598	$0	$4,261,798	$1,305	$3,912
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$294,479	$0	$294,479	$1,305	$3,912
	CF	$3,851,667	$0	$3,868,867	$0	$0
	RF	$43,439	$0	$43,439	$0	$0
	FF	$55,013	$0	$55,013	$0	$0
07. Water Resources Division, (A) Division Operations, (1) Division Operations - Water Administration	Total	$22,409,122	$0	$23,138,039	$4,903	$4,903
	FTE	247.0	0.0	247.0	0.0	0.0
	GF	$21,687,521	$0	$22,392,824	$4,903	$4,903
	CF	$721,601	$0	$745,215	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Natural Resources Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department Priority: R-11
Request Detail: Vehicle for Water Commissioner

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	**$0**	**$6,208**	**$8,815**
FTE	0.0	0.0	0.0
General Fund	$0	$6,208	$8,815
Cash Funds	$0	$0	$0
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

Summary of Request:

The Division of Water Resources (DWR) requests an increase of $6,208 General Fund for the lease of one state vehicle and associated annual operating costs. The requested vehicle will be used by the La Plata water commissioner to complete an essential requirement of their job and allow DWR to meet the increased water administration requirements under the La Plata Compact resulting from the completion of Long Hollow Reservoir and associated interstate water exchanges.

Current Program:

The Division of Water Resources administers water rights, represents Colorado in interstate water compact proceedings, monitors streamflow and water use, and maintains databases of Colorado water information. DWR is responsible for administering almost 200 active water rights in the La Plata River Basin (basin), including those owned by irrigators, tribal entities, municipalities, federal and state agencies, and others. In this region, DWR also administers the La Plata River Compact (compact) between Colorado and New Mexico which regulates the allocation of water and impacts Colorado water users. The compact requires daily deliveries of one-half of the water in the basin to New Mexico.

The water in the La Plata River (river) is a limited resource and the system is now over-allocated the entirety of the year, without enough water to meet demands. Due to natural conditions and diversion structures, it is very difficult to meet the compact delivery obligation without constant vigilance and the curtailment of water to Colorado users. The completion of the Long Hollow Reservoir (reservoir) in 2014 has further complicated administration by allowing excess water to be used by exchange to fill upstream ditches, making daily administration more complex and time-consuming. It also extended the administration season of the river from what had historically been on an as-needed basis to essentially year-round. Long Hollow Dam extends the growing season in the dry region of La Plata County by storing an additional 5,300 acre-feet of water from Long Hollow Creek and Government Draw to support area irrigators and help Colorado meet its obligation to share La Plata River water with New Mexico.

The water commissioner in charge of administration on the river and administering the water rights associated with the reservoir must travel frequently to fulfill these duties. The commissioner determines how much water needs to be diverted to New Mexico and properly accounts for complex water rights on the river by visiting the stream gages at the top and bottom of the basin every day for all but a 10-week non-irrigation period when DWR is filling the reservoir to improve water supply. This has required a level of travel that did not exist before 2014. Historically, the commissioner has provided his/her own personal vehicle and paid for maintenance and insurance to perform this required DWR function. This was appropriate when the administration was seasonal and less mileage was incurred, but it is no longer a practical solution.

Problem or Opportunity:

A recent analysis of the use of the vehicle and costs associated with water administration in the basin has raised concerns about the efficient use of resources and the fairness of having a state employee use their personal vehicle to conduct state business. For this particular region, DWR believes that allocating a state fleet vehicle to the La Plata water commissioner is more fiscally equitable because it will lift the burden of the requirement to use a personal vehicle and pay for maintenance and insurance from the water commissioner.

Since the completion of Long Hollow Reservoir in 2014, administration of water rights in the basin is more complex and requires year-round administration. DWR has prioritized staffing to cover the increased administration requirements but has allocated responsibility for the growing vehicle mileage and maintenance demands to the water commissioner in the area. Annual mileage by the water commissioner has increased substantially from 12,255 miles in fiscal year 2014 to 16,200 miles in fiscal year 2018. Furthermore, requiring the commissioner to provide a personal vehicle for work purposes has made recruiting and retaining water commissioners difficult. Turnover in the water commissioner position has occurred in the past because the requirement to use a personal vehicle for these essential job duties became unmanageable.

The water commissioner works closely with the DWR Division 7 Engineer and Assistant Engineer, Colorado water users, and New Mexico officials to successfully manage water rights and compact administration. The use of a vehicle is an essential requirement for this work. However, the increase in water administration demands, frequency of travel, annual mileage used as well as the maintenance costs to the vehicle have all made it more difficult for the commissioner to provide a personal vehicle to perform this essential state function.

DWR has tried to resolve this issue within its base budget by reviewing fleet vehicle use to determine whether an existing vehicle could be reallocated, but did not identify any that could be assigned to this position without creating a similar void for another position. Given the increased administrative requirements, increased travel and mileage requirements, and longer administration season, it is appropriate to allocate the use of a state vehicle to this function.

Proposed Solution:

DWR requests an increase of $6,208 General Fund in FY 2020-21, annualizing to $8,815 in recurring annual operating costs for a vehicle from state fleet for the La Plata water commissioner to use in performing their essential job duties. If this request is approved, it will relieve the employee of the burden of maintaining a vehicle to perform an essential state function. No statutory change is required for this request.

If this request is not approved, the state will continue to experience recruitment and retention problems with the water commissioner position and the La Plata water commissioner will continue to carry a financial burden in performing this essential function.

Anticipated Outcomes:

DWR anticipates this solution will relieve the burden on the commissioner to provide a vehicle to perform an essential state function and remove the barriers to recruiting for this position. DWR also anticipates it will reduce employee turnover in this position as the requirements of the job and the tools to complete the job will be more aligned. Finally, DWR will be able to continue the effective administration of the compact and potentially reduce the risk of future litigation costs to the state.

Assumptions and Calculations:

The estimated FY 2020-21 monthly lease rate is $326 for the type of four-wheel drive vehicle the water commissioner needs to access structures for administration and compact compliance. The roads the water commissioner will access are roughly 80 percent unpaved. The assumption is the requested vehicle would not arrive until sometime in the third quarter of FY 2020-21 so the request includes only four months of lease payments for the first year. The mileage estimates are based on the annual average of 16,200 miles driven by the water commissioner in years past. The annual lease costs and annual variable costs were provided by the Department of Personnel and Administration (DPA) Fleet Operations as FY 2018-19 rates with instructions to add a 4.5 percent increase year-over-year to determine estimated costs.

			FY 2020-21	FY 2021-22
Estimated Costs	**Annual Costs**	**Monthly Costs**	**Total Costs**	**Total Costs**
Vehicle Lease	$3,916	$326	$1,305	$3,912
Vehicle Operating Expenses	$4,903	$409	$4,903	$4,903
Total			**$6,208**	**$8,815**

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Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle

Request Title

NP-01 OIT_FY21 Budget Request Package

Dept. Approval By:		Supplemental FY 2019-20
OSPB Approval By:		Budget Amendment FY 2020-21
	X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	Total	$14,395,585	$0	$14,486,416	$358,533	$395,188
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$2,441,650	$0	$3,001,285	$91,841	$103,188
	CF	$10,694,784	$0	$10,846,244	$346,237	$369,636
	RF	$1,126,216	$0	$509,311	($81,389)	($79,781)
	FF	$132,935	$0	$129,576	$1,844	$2,145

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Payments to OIT	Total	$14,395,585	$0	$14,486,416	$358,533	$395,188
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$2,441,650	$0	$3,001,285	$91,841	$103,188
	CF	$10,694,784	$0	$10,846,244	$346,237	$369,636
	RF	$1,126,216	$0	$509,311	($81,389)	($79,781)
	FF	$132,935	$0	$129,576	$1,844	$2,145

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Natural Resources Non-Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle

Request Title

NP-02 Annual Fleet Vehicle Request

Dept. Approval By:	Carly M Jacobs		**Supplemental FY 2019-20**
OSPB Approval By:			**Budget Amendment FY 2020-21**
		x	**Change Request FY 2020-21**

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	Total	$4,244,598	$0	$4,300,289	$185,772	$185,772
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$294,479	$0	$294,479	$17,478	$17,478
	CF	$3,851,667	$0	$3,907,358	$170,928	$170,928
	RF	$43,439	$0	$43,439	($1,936)	($1,936)
	FF	$55,013	$0	$55,013	($698)	($698)

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Vehicle Lease Payments	Total	$4,244,598	$0	$4,300,289	$185,772	$185,772
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$294,479	$0	$294,479	$17,478	$17,478
	CF	$3,851,667	$0	$3,907,358	$170,928	$170,928
	RF	$43,439	$0	$43,439	($1,936)	($1,936)
	FF	$55,013	$0	$55,013	($698)	($698)

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Natural Resources Non-Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts DPA

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Schedule 13

Department of Natural Resources

Funding Request for The FY 2020-21 Budget Cycle		
Request Title		
	NP-03 Paid Parental Leave	
Dept. Approval By:	Carly M Jacobs	Supplemental FY 2019-20
OSPB Approval By:		Budget Amendment FY 2020-21
	X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	Total	$0	$0	$0	$209,401	$209,401
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$31,979	$31,979
	CF	$0	$0	$0	$166,095	$166,095
	RF	$0	$0	$0	$6,163	$6,163
	FF	$0	$0	$0	$5,164	$5,164

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
01. Executive Director's Office, (A) Administration, (1) Administration - Paid Family Leave	Total	$0	$0	$0	$209,401	$209,401
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$31,979	$31,979
	CF	$0	$0	$0	$166,095	$166,095
	RF	$0	$0	$0	$6,163	$6,163
	FF	$0	$0	$0	$5,164	$5,164

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Natural Resources Non-Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts DPA