

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal note dated January 15, 2010)

Drafting Number: LLS 10-0115

Date: February 9, 2010

Prime Sponsor(s): Rep. Curry
Sen. Brophy

Bill Status: House Appropriations

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TITLE: CONCERNING INCREASED FUNDING FOR THE DIVISION OF WATER RESOURCES FROM THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures		
Cash Funds		
Severance Tax Trust Fund - Operational Acct	No net change- see State Expenditures section	
FTE Position Change	5.3 FTE	5.3 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2010-2011: See State Appropriation section.		
Local Government Impact: None.		

Summary of Legislation

This bill, as amended by the House Agriculture, Livestock, and Natural Resources Committee, authorizes the Division of Water Resources (DWR) to receive up to 5 percent of the monies in the Operational Account of the Severance Tax Trust Fund and reduces the share of the account that may be used to fund programs within the Division of Reclamation, Mining and Safety (DRMS) from 25 to 20 percent.

Background

Severance Tax Trust Fund - Operational Account. The Operational Account receives 25 percent of severance tax receipts. Monies in the account have traditionally been used to fund the Oil and Gas Conservation Commission, the Geological Survey, Minerals and Geology, and the Water Conservation Board within the DNR. SB 08-13 added funding for the DOW and the Division of Outdoor Parks and Recreation from this account. These programs are collectively referred to as Tier 1 programs. While current law caps the percentage of the account that may be allocated to Tier 1 programs, agency appropriations have generally been well below these caps.

Supplemental budget request - Department of Natural Resources. As part of the Executive Branch's budget balancing request, each agency was asked to reduce General Fund expenditures by 10 percent. As part of its reduction plan, the DNR supplemental request includes a reduction of 5.3 FTE to generate \$413,179 General Fund.

State Expenditures

The bill will not affect overall state expenditures, but it moves **\$413,179** in funding from the DOW to the DWR in FY 2010-11.

Department of Natural Resources, Division of Wildlife. The bill reduces the DOW's appropriation from the account by \$413,179. This fiscal note assumes this reduction will leave the division with \$1,205,085 in FY 2010-11 and FY 2011-12, based on their FY 2009-10 appropriation of \$1,618,264. These monies are currently used to study the effects of energy development on sage-grouse and mule deer in northwestern Colorado.

Department of Natural Resources, Division of Water Resources. The bill will increase DWR's funding in FY 2010-11 by \$413,179 and 5.3 FTE from the account. The fiscal note assumes that the appropriation will be the same for FY 2011-12. Table 1 shows the expenditures included in the bill.

Cost Components	FY 2010-11	FY 2011-12
Personal Services	340,061	340,061
FTE	5.3	5.3
Operating Expenses	22,050	22,050
Health, life, dental, and short-term disability	41,165	41,165
AED and SAED	9,903	9,903
TOTAL	413,179	413,179

State Appropriations

For FY 2010-11, the bill includes an appropriation to the Department of Natural Resources for the following:

- Division of Water Resources – cash funds appropriation of \$413,179 and 5.3 FTE from the Operational Account of the Severance Tax Trust Fund; and
- Division of Wildlife – cash funds reduction of \$413,179 from the Operational Account of the Severance Tax Trust Fund.

Departments Contacted

Natural Resources