



OFFICE OF STATE PLANNING AND BUDGETING

A Fact Sheet

Todd Saliman
Director, OSPB

Julia Ramsey
Budget Analyst

Colorado Department of Natural Resources

November 2007

The Department of Natural Resources was created to develop, protect and enhance Colorado's natural resources for the use and enjoyment of the state's present and future residents, as well as for visitors to the state. The Department pursues this mission through the responsible management of Colorado's vast mineral, animal, aquatic, and terrestrial resources. Management includes the regulation of oil and gas drilling, mining activities, and water usage as well as the preservation and conservation of wildlife, development and operations of parks, and support of conservation efforts for both land and water usage.

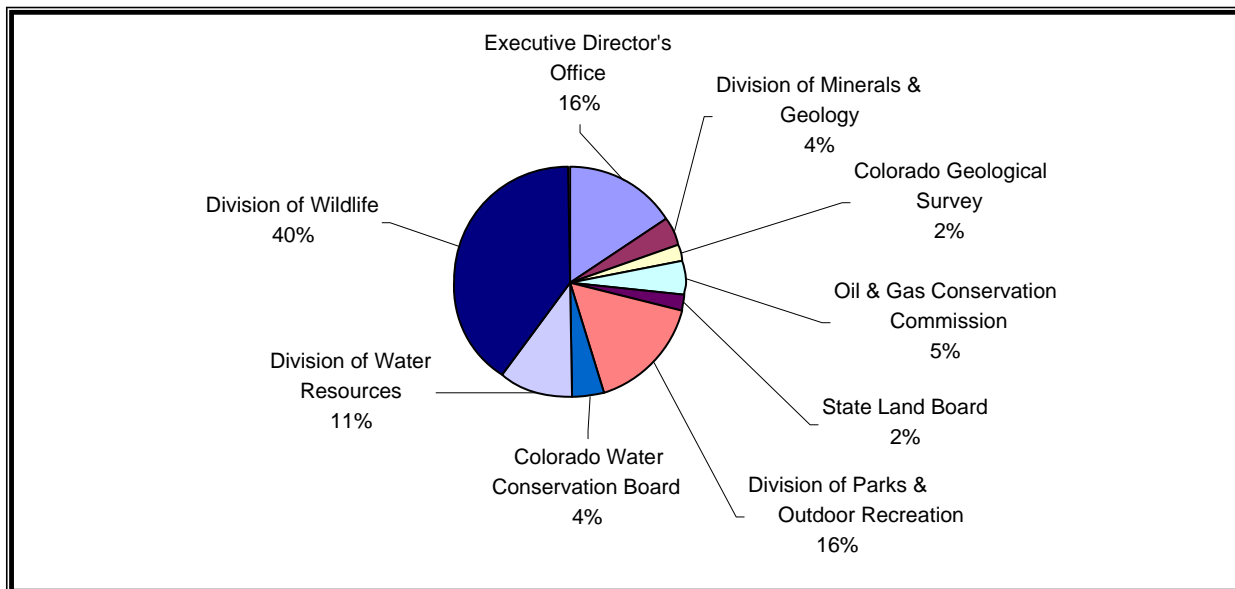
FY 2007-08 Appropriation

Total Appropriation:	\$209,655,134
Percent of Statewide Total Appropriation:	1.2%
General Fund Appropriation:	\$30,336,286
Percent of Statewide General Fund Appropriation:	0.4%
Total Full Time Equivalent Employees (FTE):	1,515.4

FY 2008-09 Budget Request

Total Request:	\$207,405,587
Percent of Statewide Total Request:	1.2%
General Fund Request:	\$32,180,632
Percent of Statewide General Fund Request:	0.4%
Total Full Time Equivalent Employees (FTE) Request:	1,534.1

FY 2008-09 Request by Area



Department in Summary FY 2008-09

- The Department of Natural Resources provides responsible management of Colorado's vast mineral, animal, aquatic, and terrestrial resources. This is accomplished through regulation of oil and gas drilling, mining activities, and water usage. This management also includes the preservation and conservation of wildlife, development and operations of parks, and support of conservation efforts for both land and water usage.
- The activities listed above are carried out by the Department's ten operational divisions. These are: the Executive Directors Office, the Division of Reclamation, Mining, and Safety, the Colorado Geological Survey, the Oil and Gas Conservation Commission, the State Land Board, the Division of Parks and Outdoor Recreation, the Colorado Water Conservation Board, the Division of Water Resources, the Division of Wildlife and the Division of Forestry.
- FY 2008-09 General Fund for the Department of Natural Resources increased from the FY 2007-08 appropriation by \$1,844,346. This increase is attributable primarily to changes in common policies and change requests as described below. A prominent theme in the Department's FY 2008-09 budget request is for funding to provide additional assistance for regulation and timely permitting of the oil and gas industry in Colorado. Several of the change requests for FY 2008-09 focus on renewable energy research and development in Colorado. This includes funding for geothermal energy research as well as carbon sequestration.

Leading Budget Change Requests for FY 2008-09:

- **The Department of Natural Resources, Oil and Gas Conservation Commission.** Priority number 1 from the Department requests \$778,768 and 9.0 FTE for FY 2008-09. The request seeks funding from the Oil and Gas Conservation and Environmental Response Fund for additional field and will provide the Oil and Gas Conservation Commission with staffing to conduct more regular, on-site environmental assessments of oil and gas facilities as part of the permitting process.
- **The Department of Natural Resources, Division of Water Resources.** The Department's priority number 4 request is for \$109,179 and 1.0 FTE for FY 2008-09. The request seeks funding for additional FTE to assist in compliance activities for the Republican River Compact.
- **The Department of Natural Resources, Colorado Geological Survey.** The Department is requesting \$72,392 from the Operational Account of the Severance Tax Trust Fund and 1.0 FTE for FY 2008-09 to work on geothermal energy research throughout the State.
- **The Department of Natural Resources, Colorado Geological Survey.** The Department is also requesting \$72,392 from the Operational Account of the Severance Tax Trust Fund and 1.0 FTE for FY 2008-09 to work on carbon sequestration possibilities throughout the State.

Key Issues and Legislation:

Following are key legislative items passed during the 2007 Legislative Session.

- **S.B. 07-122:** This bill provides loans from the Colorado Water Conservation Board Construction Fund (Construction Fund) and the Severance Tax Trust Fund Perpetual Base Account for water conservation projects around the State. It also increased the continuous spending authority from the Flood Response Fund and appropriated funds from the Colorado Water Conservation Board Construction Fund to the Department of Natural Resources in FY 2007-08 for various water related projects. The bill increased the Board's authority to make loans without legislative approval. Finally, with the passage of H.B. 07-1130, the bill appropriated \$1,000,000 cash funds from the Perpetual Base Account of the Severance Tax Trust Fund to the Department of Natural Resources, for allocation to the Division of Forestry in FY 2007-08.
- **S.B. 07-198:** Created the Coalbed Methane Seepage Cash Fund with funds appropriated from the Oil and Gas Conservation and Environmental Response Fund and authorized the Oil and Gas Conservation Commission to use the moneys in the fund to determine the most cost-effective methods of mitigating the seepage of methane gas along the outcrop of the Fruitland formation in La Plata county; and for the installation of wells to monitor the seepage of methane gas in Archuleta county. The bill also appropriated \$2,003,400 from the Oil and Gas Conservation and Environmental Response Fund to the Coalbed Methane Seepage Cash Fund for FY 2007-08.
- **H.B. 07-1180:** Required the Colorado Oil and Gas Conservation Commission to promulgate rules to ensure the accuracy of oil and gas production reporting by establishing standards for wellhead oil and gas measurement and reporting. The bill also appropriated \$3,450 cash funds from the Oil and Gas Conservation and Environmental Response Fund to the Department of Natural Resources in FY 2007-08 for allocation to the Oil and Gas Conservation Commission.
- **H.B. 07-1182:** This bill appropriated funds from the Species Conservation Trust Fund to the Department of Natural Resources for programs designed to conserve native species listed as threatened or endangered under state or federal law, are candidate species for listing, or are likely to become candidate species. Also, if actual FY 2006-07 severance tax collections exceed the March 2007 quarterly revenue forecast by Legislative Council Staff, the bill directs the State Treasurer to deduct specified amounts from the Operational Account of the Severance Tax Trust fund for transfer to the Capital Account of the Species Conservation Trust Fund, and the Operations and Maintenance Account of the Species Conservation Trust Fund.
- **H.B. 07-1298:** Required the Colorado Oil and Gas Conservation Commission to administer the oil and gas conservation law so as to minimize adverse impacts to wildlife resources affected by oil and gas operations.

Department Wide Performance Measures:

- **Performance Measure #1 - Number of species on the “Species of Greatest Conservation Need” list** - Maintaining healthy wildlife populations and ecosystems is one of the major components of the Division of Wildlife’s mission. This measure focuses more broadly on overall ecosystem health and can be viewed as a barometer of the health of wildlife in Colorado. Species on this list are targeted by conservation programs so as to secure wildlife populations such that they do not require protection via federal or state listing regulations.
- **Performance Measure #2 - Annual Visitation to State Parks** - The desired outcome for this performance measure is an annual increase in total visitation to state parks, and is consistent with the Division-wide Marketing Goal which states that State Parks will: *“Retain current and acquire new customers through exceptional service and by improving State Parks’ visibility with innovative marketing.”* This will be carried out by broadening the Agency’s visibility, maintaining high-quality recreation opportunities for existing visitors, and expanding in-state and regional marketing efforts to attract additional visitors.
- **Performance Measure #3 - Overall compliance with interstate water compacts** - It is critical that the State of Colorado meet its contractual water delivery obligations for each of its nine compacts, two United States Supreme Court decrees and interstate water allocation agreements while simultaneously protecting the right of Colorado to develop its full interstate compact apportionment. The performance measure for each compact and interstate agreement will assess overall compliance with the compact for each year. Animas-La Plata Compact was deemed non-operational.
- **Performance Measure #4 - Create reductions in water supply demand through water conservation planning and implementation of water efficiency measures.** - The Colorado Water Conservation Board will provide data regarding water conservation through the Division’s conservation planning efforts, specifically the administration of the Water Efficiency Grant Program, and role in providing technical assistance for water conservation planning. The State will see reductions in water supply demand as a result of water conservation plan implementation. The Division will conserve water and prepare for droughts. Through these efforts, the Colorado Water Conservation Board will increase the number of covered entities with up-to-date, approved water conservation plans and the number of communities with drought mitigation plans.
- **Performance Measure #5 - Number of impacts to surface water, ground water, and water wells, per thousand active oil & gas wells** - The primary mission of the Oil and Gas Conservation Commission is to “foster the responsible, balanced development, production, and utilization of the natural resources of oil and gas in the state of Colorado in a manner consistent with protection of public health, safety, and welfare, including protection of the environment and wildlife resources.” An important measure of how well the Oil and Gas Conservation Commission is implementing these responsibilities is the number of adverse impacts to water resources that occur from oil and gas development. Reducing or controlling such impacts during current unprecedented levels of oil and gas activity in Colorado will continue to be challenging.
- **Performance Measure #6 - Increase water storage to meet long term water supply needs** - In 2003, the General Assembly approved funding to complete the Statewide Water Supply Initiative (SWSI) to examine Colorado’s projected water supplies and water demands. One of SWSI’s major findings was that projects and water planning by local water providers have the ability to meet about 80 percent of

Colorado's municipal and industrial water needs through 2030. A major objective of the Colorado Water Conservation Board will be working with state and local leaders to meet the 20 percent "gap" in long-term water supply. The Colorado Water Conservation Board will achieve this objective by managing the Construction Fund and the Severance Tax Trust Fund Perpetual Base Account and other grants funds to provide low-interest financing for water infrastructure and grants for water related planning, programs and project implementation.

- **Performance Measure #7 - Increase revenues to the school trust by 5 percent annually** - The School Trust is the largest trust accounting for 98.3 percent of the total State Land Board revenue. After years of essentially no growth, revenues have increased 225 percent over the last five years. The goal is to diversify the trust land portfolio ownership and leasing in order to reduce revenue instability caused by such things as drought, the commercial market, and minerals pricing.

Links to Additional Fact Sheets

- [Department of Agriculture](#)
- [Colorado Department of Public Health and Education](#)

Links to Additional Websites

- [Colorado Department of Natural Resources \(www.dnr.state.co.us/\)](http://www.dnr.state.co.us/)
- [Colorado Department of Agriculture \(www.\)](#)
- [Colorado Department of Public Health and Environment \(www.cdphe.state.co.us\)](http://www.cdphe.state.co.us)
- [Colorado State Forest Service \(www.colostate.edu/depts/CSFS\)](http://www.colostate.edu/depts/CSFS)
- [The Governors Energy Office \(www.colorado.gov/energy/\)](http://www.colorado.gov/energy/)
- [United States Forest Service \(www.fs.fed.us\)](http://www.fs.fed.us)
- [United States National Parks Service \(www.nps.gov\)](http://www.nps.gov)
- [United States Environmental Protection Agency \(www.epa.gov\)](http://www.epa.gov)

For more information about this Department and its programs, please call 303-866-3311.