

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2009-10 STAFF BUDGET BRIEFING

**DEPARTMENT OF PUBLIC HEALTH
AND ENVIRONMENT**

(Environmental Divisions Only)

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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**FY 2009-10 BUDGET BRIEFING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

(Environmental Divisions Only)

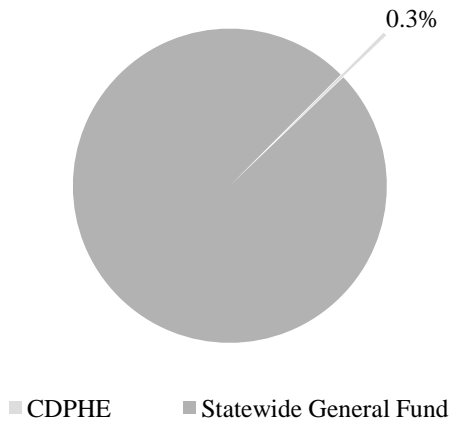
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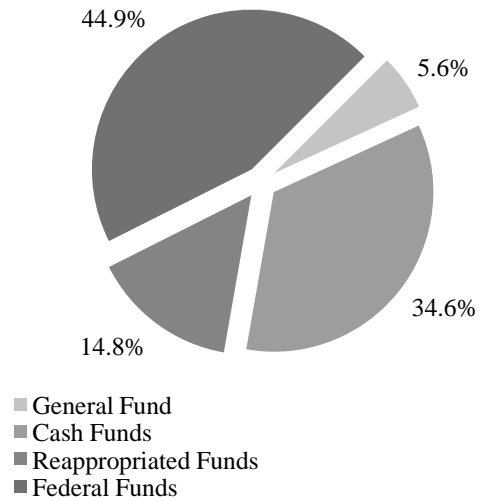
**FY 2009-10 Joint Budget Committee Staff Budget Briefing
Department of Public Health and Environment**

GRAPHIC OVERVIEW

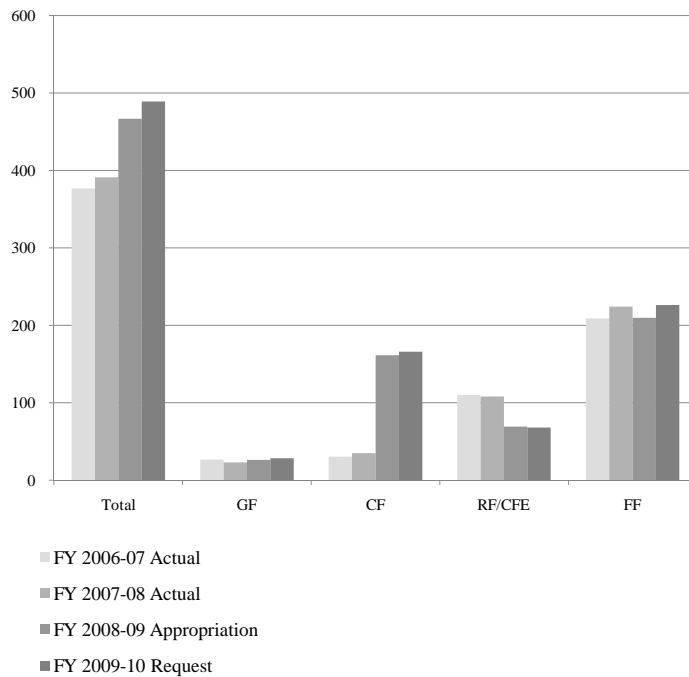
Share of Statewide General Fund



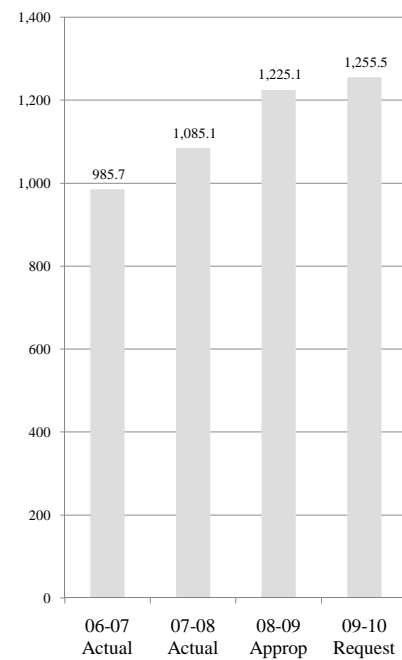
Funding Sources



**Budget History
(Millions of Dollars)**

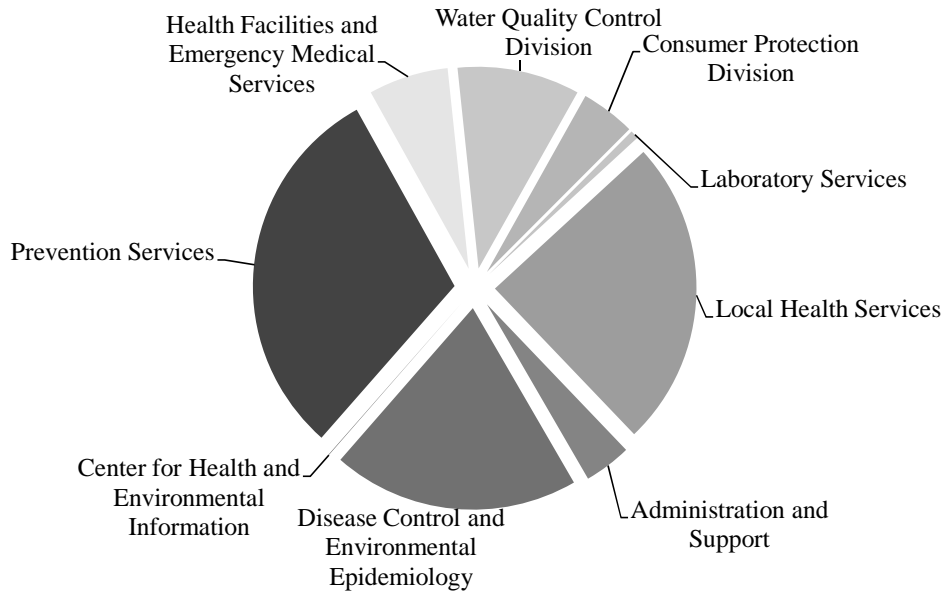


FTE History

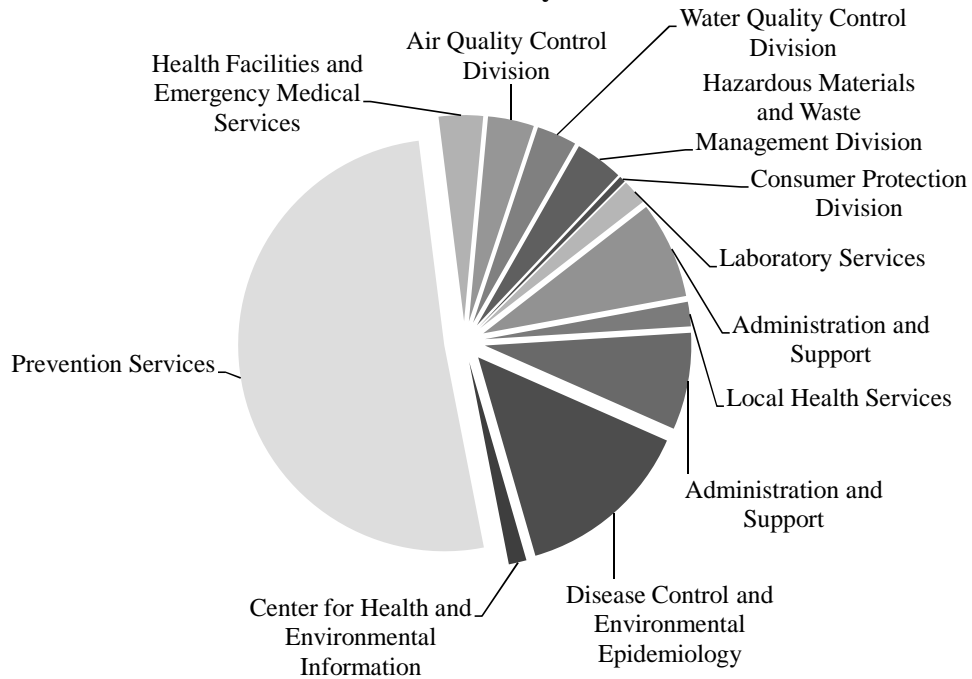


Unless otherwise noted, all charts are based on the FY 2008-09 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division



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(Environmental Divisions Only)**

DEPARTMENT OVERVIEW

JBC Staff Assignments

In the Long Bill, the Department of Public Health and Environment is comprised of eleven divisions that are grouped, for JBC staff briefing and figure setting purposes, as follows:

Administrative and Health Divisions

- Administration and Support, except for the Special Environmental Programs Subdivision
- Center for Health and Environmental Information
- Laboratory Services
- Local Health Services
- Disease Control and Environmental Epidemiology Division
- Prevention Services Division
- Health Facilities and Emergency Medical Services Division

Environmental Divisions

- Administration and Support Division, Special Environmental Programs Subdivision
- Air Quality Control Division
- Water Quality Control Division
- Hazardous Materials and Waste Management Division
- Consumer Protection

This briefing focuses on the Environmental Divisions. The Administrative and Health Divisions are presented separately by another analyst.

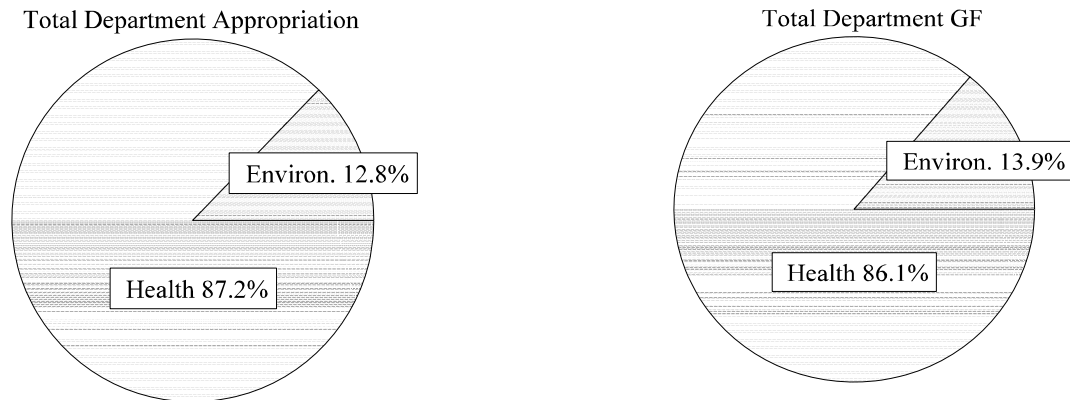
Key Responsibilities

- ▶ Monitors the state's air and water quality to ensure compliance with applicable state and federal regulations, such as the Federal Clean Air Act and the Safe Drinking Water Act.
- ▶ Evaluates and investigates strategies aimed at reducing or controlling air and water pollution by issuing discharge permits, collecting and analyzing emissions data, monitoring the success of state implementation plans and attainment redesignation requests, and enforcing rules and regulations adopted by the environmental oversight commissions.
- ▶ Provides technical assistance and statewide coordination for waste and drinking water treatment facilities.
- ▶ Regulates the treatment, storage, and disposal of solid and hazardous wastes, including the implementation of the Federal Superfund Program and oversight of the Rocky Flats Legacy Management Agreement implementation.

- ▶ Enforces sanitation standards designed to prevent and control diseases transmitted by food, insects, or rodents.

Factors Driving the Budget

For FY 2008-09, funding for these divisions consists of 6.2 percent General Fund, 57.8 percent cash funds, 0.6 percent reappropriated funds, and 35.3 percent federal funds. Funding for the environmental divisions comprises 12.8 percent of the Department's total budget, and 13.9 percent of the Department's General Fund. Among the environmental divisions, only the Water Quality Control Division and the Consumer Protection Division receive General Fund appropriations.



Oil and Gas Development: The Air Quality Control Division

Colorado has seen massive growth in oil and gas development in recent years, with significant consequences for the state's air quality and the workload of the Air Quality Control Division. In 2002, the industry was just starting to grow and emissions were unregulated. Since then, while other source types have been reducing total volatile organic compound (VOC) emissions in an effort to comply with federal air standards, the oil and gas industry has surpassed both mobile sources (vehicles) and area sources (such as lawn and garden sources; architectural coatings; and pesticide applications) to become the greatest source of VOC emissions on the Front Range.

VOC is a precursor to ground-level ozone, which is a pollutant known to cause numerous health problems and which is regulated by the federal Environmental Protection Agency (EPA). Even before the oil and gas boom, the Front Range was in danger of violating the federal ozone standards and had entered into an agreement with EPA to prevent a non-attainment designation. However, ozone levels in the region violated standards enough times from 2005 to 2007 that EPA designated the metro area as a non-attainment area in November 2007. As a result, the state must now consider more stringent standards on all sources of VOC and develop a new State Implementation Plan for ozone. The Division requested and obtained an emergency supplemental in October 2007 for \$220,000 (cash funds exempt and federal funds) to fund air quality modeling work for the new State

Implementation Plan. The plan is due to EPA in 2009 and should be submitted for the General Assembly's review in January 2009.

The growth in oil and gas development has also resulted in increased demand for permits and inspections, increasing the Division's workload. In FY 2007-08, the Legislature provided the Division with 7.0 additional FTE: 4.0 FTE were specifically intended to help implement new oil and gas regulations, and 3.0 FTE were intended to address workload growth. The Legislature provided the Division a net increase of 3.9 FTE above the FY 2007-08 appropriation in FY 2008-09.

Evolving Needs and Emerging Regulations: The Air Quality Control Division

In addition to workload increases that are being driven by economic and population growth, the Air Quality Control Division is facing several evolving needs and emerging regulations in the next several years that may require additional resources to adequately address. For example, the U.S. Environmental Protection Agency has promulgated stricter federal ozone standards that may create additional ozone non-attainment areas beyond the current Denver metro non-attainment area and will certainly require additional reductions in ozone levels in the metro area; the Governor's office has identified the reduction of greenhouse gas emissions as a state priority; the auto emissions "high-emitter" pilot program is underway and the Air Quality Control Commission must determine whether and at what level it will continue; and federal and state climate-change and wildfire reduction initiatives may be developed. The Division anticipates a need for 15.0 additional FTE to meet these demands in the next three years.

Fee Changes & General Fund Support: The Water Quality Control Division

Prior to FY 2003-04, Water Quality Control Division (WQCD) programs were funded through a mix of approximately 20 percent General Fund, 20 percent fee revenue, and 60 percent federal dollars. In response to the state budget crisis, the Legislature looked to reduce and/or eliminate General Fund support for programs that could be financed with user fees. As part of this effort, the Division lost all General Fund support beginning in FY 2003-04 (approximately \$2.0 million). The WQCD was given a short time with which to consult with the stakeholder community and develop a legislative proposal to replace the lost General Fund monies with fees. The resulting statutory fee changes included a 66 percent increase in wastewater permit fees, and, for the first time, the establishment of a fee system for drinking water purveyors.

However, by December 2005, the WQCD had identified concerns about the ability of some of the new fees to adequately support the associated programs. The WQCD found that fees received from industrial and domestic wastewater permittees and concentrated animal feeding operations (CAFO) permittees, which were based on best programmatic workload estimates at that time, were not adequate to support the expenditures for those programs. As a result, those programs were being "subsidized" by excess fee revenue collected from stormwater and drinking water permittees.

During the 2005 legislative session, the Department proposed legislation that would adjust the fees, taking into consideration the amount of resources the Division provides to different parties for various services. Regardless, no legislation was introduced and the new fees and fee changes set in

2003 sunset on July 1, 2005. As a result, the FY 2005-06 Long Bill appropriation for the Water Quality Control Division included an increase in General Fund to replace the lost fee revenue.

In FY 2006-07, in response to concerns about the Division's ability to fulfill its statutory responsibilities, its General Fund appropriation was increased by approximately \$500,000, and it received 10.0 additional FTE. In FY 2007-08, the Division received another 8.2 cash-funded FTE in the Long Bill, and H.B. 07-1329 adjusted and created a variety of wastewater and drinking water fees to boost cash fund revenues and appropriated an additional 4.0 FTE. The Division's FTE count remained unchanged in FY 2008-09.

Evolving Needs and Emerging Regulations: The Water Quality Control Division

In addition to workload increases that are being driven by economic and population growth, the Water Quality Control Division is facing many evolving needs and emerging regulations in the next several years that may require additional resources to adequately address. For example, the EPA is finalizing two policies that will increase the need for inspections of "wet weather" (spills/stormwater) sources and response to field-discovered violations. The new policies will drive the need for additional compliance assistance and will require audits of the 121 municipal separate stormwater sewer systems. In addition, changes to the ammonia and temperature standards adopted by the Water Quality Control Commission last year require new permits and technical assistance provided by staff. The Division, working with stakeholders, has also developed and must now implement a policy to protect irrigated agriculture from discharges that may have high total dissolved solids (which affect plants). Finally, the Division is exploring whether to seek delegation of the federal pretreatment and biosolids programs from EPA.

As mentioned above, the Division received 10.0 General Fund FTE in the FY 2006-07 Long Bill, and another 8.2 cash-funded FTE in the FY 2007-08 Long Bill, to continue to build its capabilities. Additionally, H.B. 07-1329 adjusted and created a variety of wastewater and drinking water fees which will boost cash fund revenues, and appropriated an additional 4.0 FTE. Despite this influx of resources, the Division anticipates a need for 53.5 additional FTE in the next three years (through FY 2011-12) to meet its statutory responsibilities with the anticipated increase in workload. Current and anticipated programmatic demands and funding needs are discussed in more detail in the briefing issue beginning on page 23.

Contaminated Sites Cleanup: The Hazardous Materials and Waste Management Division

The Hazardous Materials and Waste Management Division accounts for 31.9 percent of the entire appropriation for the environmental divisions: \$19.0 million in FY 2008-09. The largest share of the Division's appropriation, \$7.3 million, is for the Contaminated Sites Cleanup program. This program has three major responsibilities: (1) federal facilities oversight (to ensure protective cleanup and compliance with state and federal hazardous waste laws, regulations, and Superfund requirements at federal facilities); (2) the Superfund program (to minimize human exposure and environmental damage from hazardous sites by performing investigations, determining and designing appropriate remedies, overseeing implementation of those remedies, and ensuring on-going maintenance and monitoring when necessary); and (3) the Voluntary Cleanup and Redevelopment

Program (to facilitate the cleanup and redevelopment of contaminated properties with expedited review of clean-up plans submitted by property owners).

Colorado has 24 Superfund sites, for which the state has varying degrees of financial responsibility for clean-up and on-going maintenance. Funding for the state's Superfund-related expenses is paid for out of the Hazardous Substance Response Fund (HSRF). Revenue for the HSRF comes from a portion of solid waste tipping fees. Beginning in 2002, there were concerns about the fund's long-term solvency after the Legislature transferred \$30.0 million of its fund balance to the General Fund. However, that transfer was repaid in January 2006. At present, the Department estimates that the fund will remain solvent through FY 2024-25. Factors that could change the state's costs and result in the need for more resources more quickly include: (1) the identification of additional Superfund sites; (2) changes in the estimated remediation and on-going maintenance costs at existing sites; (3) changes in federal policies; and (4) changes in the ability of responsible parties to pay their share of costs (e.g., the bankruptcy of a responsible party).

Federal Funds

Approximately thirty-five percent of the FY 2008-09 appropriation for the environmental divisions is funded by federal dollars, some of which requires a state matching contribution or maintenance of effort. The divisions currently manage over 100 different grants, including the EPA's Performance Partnership Grant: a two-year, multi-programmatic grant providing approximately \$17.0 million in federal dollars. The table below shows the actual federal funding received for FY 2003-04 through FY 2007-08, as well as the FY 2008-09 appropriation and FY 2009-10 request.

Environmental Division Federal Dollars FY 2003-04 through FY 2009-10
(in millions)

Environmental Divisions	FY 03-04 Actual	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Approp.	FY 09-10 Request
Total Federal Funds	\$21.2	\$20.2	\$22.4	\$23.6	\$22.7	\$21.1	\$20.1
Total Federal Funds as a Percent of Environ. Divisions' Budget	40.0%	45.3%	47.4%	48.8%	42.0%	35.3%	33.0%

The \$800,000 reduction from FY 2006-07 to FY 2007-08 is almost entirely due to the end of clean-up activities at the Rocky Flats site. All physical remediation was completed at Rocky Flats in October 2005. All hazardous waste units (tanks, storage pads, etc.) were closed and the Hazardous Waste Permit was terminated in July 2006. The post-closure agreement is the Rocky Flats Legacy Management Agreement (RFLMA). The U.S. Fish and Wildlife Service and the U.S. Department of Energy will maintain and manage portions of the site. The Hazardous Materials and Waste Management Division will continue to have a regulatory oversight role in the implementation of the RFLMA, in coordination with local communities and the EPA.

The \$1.6 million reduction from FY 2007-08 to FY 2008-09 is due to a decrease in federal grant

monies allocated to the Air Quality Control Division by the EPA. The Division has determined that reducing and delaying expenditures in operating and contractual expenses will allow it the greatest flexibility in dealing with these reductions.

The \$1.0 million decrease from FY 2008-09 to FY 2009-10 is due in large part to a reduction in federal funding due to the transfer of responsibility for operating and maintenance costs for the Argo Tunnel Water Treatment Plant from the U.S. E.P.A. to the Department in FY 2009-10 (see the issue paper beginning on page 14 for a discussion of the Department's decision item seeking to replace the lost federal funds with state funds from the Hazardous Substance Response Fund).

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DECISION ITEM PRIORITY LIST

Decision Item	GF	CF	RF	FF	Total	FTE
1 Surveillance and Public Health Outbreak Response	951,525	0	0	0	951,525	0.8
2 Emergency Preparedness and Response	881,167	0	0	17,440,633	18,321,800	1.8
3 Health Facilities License Fees	88,195	629,782	0	0	717,977	7.4
4 Newborn Screening and Medical Followup	0	635,484	0	0	635,484	0.0
5 Operation and Maintenance of the Argo Tunnel Water Treatment Plant Hazardous Materials and Waste Management Division. The Department requests \$994,200 cash funds from the Hazardous Substance Response Fund to offset a reduction in federal funds for the maintenance and operation of the Argo Tunnel water treatment plant, part of the remedy for the Central City/Clear Creek Superfund site. For the past ten years, the U.S. EPA has paid 90 percent of operating costs for the plant under the federal Superfund statute. However, the period of federal responsibility for those costs will end October 1, 2009, requiring the state to assume 100 percent of maintenance and operations costs of the plant in order to continue to run the plant. The state contracts with a private entity to operate the plant and intends to continue to do so (see the issue paper beginning on page 14 for a more detailed discussion of the Argo Tunnel request). <i>Statutory authority: Section 25-16-104, C.R.S.</i>	0	994,200	0	(994,200)	0	0.0
6 Radiation Control Program Operating Authority Hazardous Materials and Waste Management Division. The Department requests \$24,000 in cash funds spending authority from the Radiation Control Fund to provide for additional travel and training for recently hired radioactive materials inspectors. According to the Department, recent turnover and the need to train new inspectors necessitates additional funding. <i>Statutory authority: Section 25-11-103, C.R.S.</i>	0	24,000	0	0	24,000	0.0
7 Solid Waste Program Additional FTE Hazardous Materials and Waste Management Division. The Department requests an additional 3.4 cash funded FTE for the Solid Waste Program. The Department states that it has sufficient spending authority for the FTE appropriated via H.B. 07-1288, a bill that increased solid waste disposal fees, and that the FTE are necessary to address increasing workloads for the Solid Waste Program. <i>Statutory authority: Sections 30-20-118 and 30-20-109, C.R.S.</i>	0	0	0	0	0	3.4

Decision Item	GF	CF	RF	FF	Total	FTE
8	0	145,044	0	0	145,044	2.0
Radiation Control Program Uranium Licensing and Inspection Hazardous Materials and Waste Management Division. The Department requests a total of \$145,044 cash funds from the Radiation Control Fund and 2.0 FTE to hire additional radioactive materials inspectors and license reviewers in response to increased in interest in uranium milling in Colorado. The Department states that additional FTE will be necessary to handle the increased workload resulting from anticipated increases in uranium license applications. The Department has indicated that no fee increase is necessary to fund the request because the anticipated workload would fund the requested FTE through the current fee system. <i>Statutory authority: Sections 25-11-102 and 25-11-103, C.R.S.</i>						
9	0	0	575,080	0	575,080	0.0
Administration and Support - Leased Space						
10	0	0	108,500	0	108,500	0.0
Replace Department's accounts receivable system						
11	0	0	51,256	0	51,256	1.0
Human Resources Professional Staff						
12	0	0	51,403	0	51,403	0.0
Administration and Support - Operating						
13	0	46,427	0	0	46,427	0.0
Administration and Support - Leased Space for Denver Emission Technical Center						
14	0	25,375	0	0	25,375	0.0
Colorado Oil and Gas Commission Air Quality Control Division. The Department requests \$25,375 cash fund spending authority from the Oil and Gas Conservation and Environmental Response Fund (managed by the Department of Natural Resources) for the maintenance of software systems designed to facilitate the Department's consultation role in the oil and gas permitting process pursuant to H.B. 07-1341. The two systems will: 1) track individual permit applicati through the Department's consultation process and 2) identify proposed well sites that are too close to public water system sites under new regulations approved by the Oil and Gas Conservation Commission. The JBC approved an interim supplemental to fund the design and creation of the software in September 2008. The request would provide for ongoing maintenance of the new systems. <i>Statutory authority: Sections 25-7-102, 34-60-102 (1), and 34-60-106 (2) (d), C.R.S.</i>						
NP-1	20,315	51,177	21,346	19,352	112,190	0.0
Fleet Operating Increase (Increase in Fuel Expenses)						
NP-2	0	0	0	0	0	0.0
Intentionally Blank						
NP-3	0	0	415	0	415	0.0
Ombuds Program Increase less Annualization of CHEAP Program Increase						

Decision Item	GF	CF	RF	FF	Total	FTE
NP-4 Office of Administrative Courts Staffing Adjustments	0	0	997	0	997	0.0
NP-5 Postage Increase and Mail Equipment Upgrade	0	0	10,242	0	10,242	0.0
NP-6 Fleet Vehicle	141	24,336	6,571	2,771	33,819	0.0
Total	1,941,343	2,575,825	825,810	16,468,556	21,811,534	16.4

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OVERVIEW OF NUMBERS PAGES

The following table summarizes the total change, in dollars and as a percentage, between the Department's FY 2008-09 appropriation and its FY 2009-10 request. The table includes the appropriation and request for the entire department and is not limited to the environmental divisions.

Total Requested Change, FY 2008-09 to FY 2009-10 (millions of dollars)

Category	GF	CF	RF	FF	Total	FTE
FY 2008-09 Appropriation	\$26.8	\$161.6	\$69.2	\$209.6	\$467.2	1,225.1
FY 2009-10 Request	29.1	166.0	68.2	226.2	489.5	1,255.5
Increase / (Decrease)	\$2.3	\$4.5	(\$1.0)	\$16.5	\$22.3	30.4
Percentage Change	8.4%	2.8%	-1.4%	7.9%	4.8%	2.5%

The following table highlights the individual changes contained in the Department's FY 2009-10 budget request, as compared with the FY 2008-09 appropriation, for the environmental divisions. For additional detail, see the numbers pages in Appendix A.

Requested Changes, FY 2008-09 to FY 2009-10

Category	GF	CF	RF	FF	Total	FTE
Special Environmental Programs						
Annualize FY 2008-09 salary survey and performance based pay	0	1,062	0	0	1,062	0.0
Annualize S.B. 08-102	0	0	0	0	0	1.0
Subtotal	\$0	\$1,062	\$0	\$0	\$1,062	1.0
Air Quality Control Division						
Annualize FY 2008-09 salary survey and performance based pay	0	375,932	0	0	375,932	0.0
Annualize S.B. 08-055	0	(17,275)	0	0	(17,275)	0.0
DI #14 - Oil and Gas Conservation Commission	0	25,375	0	0	25,375	0.0
DI NP-1 - Fleet Fuel	0	31,897	0	0	31,897	0.0
Subtotal	\$0	\$415,929	\$0	\$0	\$415,929	0.0

Category	GF	CF	RF	FF	Total	FTE
Water Quality Control Division						
Annualize FY 2008-09 salary survey and performance based pay	108,345	140,651	0	0	248,996	0.0
DI NP-1 - Fleet Fuel	17,598	3,300	0	0	20,898	0.0
Subtotal	\$125,943	\$143,951	\$0	\$0	\$269,894	0.0
Hazardous Materials and Waste Management Division						
Annualize FY 2008-09 salary survey and performance based pay	0	131,128	4,419	0	135,547	0.0
DI #5 - Operation and Maintenance of Argo Tunnel Water Treatment Plant	0	994,200	0	(994,200)	0	0.0
DI #6 - Radiation Control Program Operating Auth.	0	24,000	0	0	24,000	0.0
DI #7 - Solid Waste Program Additional FTE	0	0	0	0	0	3.4
DI #8 - Radiation Control Program Uranium Licensing and Inspection	0	145,044	0	0	145,044	2.0
DI NP-1 - Fleet Fuel	0	6,900	0	7,399	14,299	0.0
Subtotal	\$0	\$1,301,272	\$4,419	(\$986,801)	\$318,890	5.4
Consumer Protection Division						
Annualize FY 2008-09 salary survey and performance based pay	38,108	28,696	2,486	0	69,290	0.0
Annualize H.B. 08-1054	0	(2,460)	0	0	(2,460)	0.0
DI NP-1 - Fleet Fuel	2,717	4,319	1,521	3,542	12,099	0.0
Subtotal	\$40,825	\$30,555	\$4,007	\$3,542	\$78,929	0.0
Total Change	\$166,768	\$1,892,769	\$8,426	(\$983,259)	\$1,084,704	6.4

**FY 2009-10 Joint Budget Committee Staff Budget Briefing
Department of Public Health and Environment
(Environmental Divisions Only)**

BRIEFING ISSUE

ISSUE: Decision Item #5 - Operation of the Argo Tunnel Water Treatment Plant

The Department is requesting an increase of \$994,200 cash funds to offset an equal reduction in federal funds as the U.S. EPA transfers cost responsibility for the operation and maintenance of the Argo Tunnel Water Treatment Plant to the Department.

SUMMARY:

- ▶ The Argo Tunnel Water Treatment Plant treats acid mine drainage from the Argo Tunnel before allowing the water into Clear Creek and is an integral part of the Central City/Clear Creek superfund site remediation.
- ▶ The U.S. EPA has paid for 90 percent of operating and maintenance costs since the plant was constructed in 1998. However, the EPA will no longer pay any of the plant's costs after October 1, 2009, requiring the state to make up the difference if the plant is to continue operating.
- ▶ The Argo plant provides an example of one of the major factors affecting the solvency of the state's Hazardous Substance Response Fund - the transfer of operating and maintenance costs for major projects to the state. Barring changes, the fund will see significant rises in obligations in 2009 and again in 2019 as federal aid for the operation of other plants ends.

DISCUSSION:

Background

The Clear Creek/Central City Superfund Site is located in Clear Creek and Gilpin Counties. The site was placed on the federal Superfund list in 1983 as a result of acid mine pollution in the Clear Creek basin and the associated impacts on fish and water quality. The Clear Creek basin serves as the water source for 300,000 front range residents, and the basin is also a popular destination for recreation and tourism. The heavy metal pollution resulting from old mines in the area had significantly impacted the basin's fishery and other aquatic life, with potential human health impacts as well.

The remediation program for the Clear Creek/Central City site includes capping mine waste piles (effectively covering them with rock and/or soil to prevent erosion into waterways) and other measures. A key project in the overall remediation, however, was the construction of the Argo Tunnel Water Treatment Plant, which treats water draining out of the Argo Tunnel before the water

reaches Clear Creek. The plant treats up to 700 gallons per minute and, according to the Department, prevents approximately 800 pounds of heavy metals from entering Clear Creek each day.

Under federal Superfund statute (the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Secs. 9601 to 9675), the U.S. EPA *may* pay 90 percent of operating and maintenance costs for infrastructure constructed to restore groundwater quality for the first 10 years of operation. The EPA has considered the Argo plant to be a groundwater restoration remedy and has paid 90 percent of the plant's operating costs since it was built. However, the 10 year window will expire in 2009, and the state will become responsible for 100 percent of the plant's operating and maintenance costs as of October 1, 2009.

FY 2009-10 Request

The Department is requesting \$994,200 cash funds from the Hazardous Substance Response Fund (funded by solid waste disposal tipping fees) to offset an equal decrease in federal funds as the EPA discontinues payment for the plant's operation. The costs will be ongoing indefinitely. The Department is also requesting an increase of 0.5 cash funded FTE to offset the reduction of 0.5 federally funded FTE for the plant manager. The details of the request by Long Bill line item are shown below.

Summary of FY 2009-10 Argo Tunnel Water Treatment Plan Request

Long Bill Line Item	Cash Funds	FTE	Federal Funds	FTE
HMWMD, Administration - Indirect Cost Assessment	\$22,200	0.0	(\$22,200)	0.0
Contaminated Site Cleanups - Personal Services	37,000	0.5	(37,000)	(0.5)
Contaminated Site Cleanups - Operating Expenses	4,000	0.0	(4,000)	0.0
Contaminated Sites Operation and Maintenance	931,000	0.0	(931,000)	0.0
Total	\$994,200	0.5	(\$994,200)	(0.5)

The bulk of the requested funds are for the Contaminated Sites Operation and Maintenance line to pay for a contract with a private company to operate the plant. The Department uses 0.5 FTE permanent staff to oversee the operation of the plant but contracts the rest of the work out. The decision item assumes a 10 percent per year increase in operating and maintenance costs, based on trends from prior years.

Because the EPA will no longer pay any of the plant's costs after October 1, 2009, continuing to operate the plant will require the state to assume all of these costs. Shutting down the plant would result in all of the heavy metals currently removed by the plant going directly into Clear Creek, again impacting fisheries and aquatic life that according to the Department have experienced some significant recovery since the plant became operational.

Going Forward: Solvency of the Hazardous Substance Response Fund

The Argo plant request is an example of one of the primary drivers affecting the solvency of the state's Hazardous Substance Response Fund. Under the Department's current estimates, the fund is expected to remain solvent through FY 2024-25. However, the fund will see significant jumps in obligations in FY 2009-10 as a result of the Argo Tunnel transfer and again in FY 2019-20 when operating responsibility for other groundwater remedies being funded by the EPA is transferred to the Department.

However, it should be noted that the 90/10 split for groundwater restoration remedies is entirely at the discretion of the EPA, as federal statute does not require the EPA to pay for operations of those remedies but rather *allows* the EPA to do so. According to the Department, the EPA has considered policies that would specifically bar the agency from paying for long term restoration of acid mine drainage sites. If such policies were adopted, then the state would become responsible for 100 percent of the costs of other acid mine sites immediately, significantly impacting the solvency of the fund.

**FY 2009-10 Joint Budget Committee Staff Budget Briefing
Department of Public Health and Environment
(Environmental Divisions Only)**

BRIEFING ISSUE

ISSUE: Cash Funding the Consumer Protection Division Milk and Dairy Program

The General Fund subsidy for the Consumer Protection Division's Milk and Dairy program should be reduced or eliminated, and the program should be funded with increased fees from the industry.

SUMMARY:

- The Milk and Dairy Program (dairy program) is entirely funded with General Fund (a total of \$659,575 in FY 2007-08, including \$185,186 in laboratory expenses).
- The program collects license fees from milk processing plants, milk samplers, and milk haulers. The fees are set in statute (Sections 25-1.5-101 and 25-5.5-107, C.R.S.) and generate only \$1,300 per year, approximately 0.20 percent of total program costs. By statute (Section 25-5.5-107 (7)), fee revenues are credited to the General Fund.
- Increasing fees to support part or all of the program with cash funds would be appropriate.

RECOMMENDATION:

Staff recommends that the Committee sponsor a bill to cash fund the dairy program through licensing and inspection fees. Staff further recommends that the Committee consider including a fee on dairy farms because they are licensed and inspected by the dairy program but pay no fees. Staff recommends that the Committee work with the Department and the Health and Human Services Committees to develop a bill that would equitably raise fees to support the program.

DISCUSSION:

The dairy program regulates the State's dairy industry to protect the public from food borne illness and contamination in dairy products. The program is responsible for inspecting and regulating dairy farms, milk haulers, and dairy plants in addition to sampling dairy products and enforcing production and transportation rules set out in statute. The program licenses farms, processing plants, haulers, and samplers. Unlike some of the Division's other programs (e.g., retail food inspection), local governments in Colorado do not participate in the dairy program. Thus, dairy program staff collect all samples, inspect all facilities, respond to all complaints, and enforce all dairy regulations in Colorado.

The program is currently entirely funded with General Fund, with total program costs of \$659,575 in FY 2007-08 (see table below).

CPD Milk and Dairy Program Costs (FY 2005-06 through FY 2007-08)*

	FY 2005-06	FY 2006-07	FY 2007-08	FTE
CPD Dairy Personal Services	\$400,684	\$420,188	\$429,411	6.4
CPD Dairy POTS Expenses	19,065	25,571	41,343	0.0
CPD Dairy Operating	3,625	3,625	3,635	0.0
Total CPD Dairy Expenses	423,374	449,384	474,389	6.4
Lab Dairy Personal Services	155,029	157,199	159,019	2.0
Lab Dairy POTS	11,299	8,318	13,455	0.0
Lab Dairy Operating	12,189	12,538	12,712	0.0
Total Dairy-related Lab Expenses	178,517	178,055	185,186	2.0
Total Dairy-related Exp.	\$601,891	\$627,439	\$659,575	8.4

* Data provided by the Department.

The program's workload, and consequently costs, are largely determined by federal dairy regulations under the Grade A Pasteurized Milk Ordinance and Colorado's corresponding regulations. The regulations require the program to inspect dairy farms twice each year, Grade A plants on a quarterly basis, manufacturer grade plants twice per year, and trucks once per year. To the extent that costs are driven by these inspections, the program has limited opportunity to reduce costs.

Pursuant to statute, the Department does collect annual license fees from dairy plants, samplers, and haulers. Also pursuant to statute (Section 25-5.5-107 (7)), the fee revenue is credited to the General Fund. The fees generate a total of approximately \$1,300 per year in revenues, enough to cover less than 0.2 percent of total dairy program costs. The fees and revenues are shown in the table below.

Dairy Program License Fees and Revenues*

	Licenses Issued	Annual Fee per License	Total Annual Revenue
Dairy Plants (Section 25-5.5-107 (2))	40	\$10	\$400
Milk Samplers (Section 25-5.5-107 (4)(a))	100	\$3	\$300
Milk Haulers (Section 25-5.5-107 (4)(a)**)	200	\$3	\$600
Total Revenues			\$1,300

* Data provided by the Department.

** Haulers are licensed as samplers because they are required to sample each load of milk.

The fees have not changed since 1985. In addition, the fees are flat regardless of the quantity of milk processed at a given facility - a plant producing millions of pounds of product pays the same \$10.00 fee as a small plant on-site at small dairy.

No Fees for Farms

Statute also requires the Department to inspect and license dairy farms in Colorado. According to the Department, there are 149 regulated dairy farms in Colorado, ranging from small operations to large dairies with thousands of cattle. Although the Department is required to inspect the farms, the farms do not pay a licensing fee unless they have a processing plant on-site.

According to the Dairy Farmers of America (DFA), the cooperative of dairy farmers that serves Colorado's farmers, the DFA operates the only certified milk testing laboratory in Colorado. Because state and federal regulations require that milk be tested in a certified lab, the DFA considers the operation of the lab to be somewhat of an “in kind” payment to the dairy program. According to the DFA, operating the lab costs between \$300,000 and \$500,000 per year. Because the DFA pays for the operation of the lab, the association would likely oppose the imposition of significant fees on farms.

Staff argues that the operation of the lab is a cost of doing business in Colorado because the industry could not operate without a certified lab in the state. If the DFA were not paying for the lab directly and the state were operating the lab, then it would still be appropriate to charge the farmers fees to operate the lab. **Therefore, while it may be appropriate to consider the costs of the lab if the General Assembly is allocating additional fees among parts of the dairy industry, staff believes that it would still be appropriate to levy licensing and inspection fees on the farms.**

Comparison to Other States

Staff has inquired about the funding sources for dairy programs in other states. The Department provided three examples. According to the Department, in Kansas, General Fund supports 23 percent of program costs, while the rest is cash funded through fees based on the volume (weight) of product; in Oklahoma, the program is 50 percent General Fund and 50 percent weight-based fees; New Mexico's program is 100 percent General Fund.

Staff has also researched fee structures in other states to compare the current license fees in Colorado. Staff was unable to take a random sample - the following information happened to be what staff found. Staff focused on fees on plants because they appear to be the largest source of fees for each state. Again, for reference, the fee in Colorado is a flat \$10.00 per year per plant.

Dairy Plant Fees from Other States

State	Annual Fee for Dairy plants
Texas	\$800 for the first year/ \$824 for renewal Texas also levies an inspection fee for each inspection.
Nevada	\$150-\$500 depending on plant size and status (Grade A plants range from \$150-\$500; other plants are less)

State	Annual Fee for Dairy plants
Utah	\$75 for the plant, with additional fees to get licensed to produce butter, cheese, operate a pasteurizer, etc. Utah also levies an hourly inspection fee of \$24.60 per hour (or \$34.40 per hour for overtime) and charges a \$10 certificate of inspection fee.
Michigan	\$175 for Grade A plants; \$50 for manufacturing plants.
Minnesota	\$169 - \$2,571 depending on the plant's gross sales.
Wisconsin	\$855 - \$1075 for Grade A plants depending on volume; \$120 - \$190 for manufacturing grade plants. Wisconsin also charges reinspection fees of \$250 - \$300, depending on volume and allows for fees to recover the cost of plan review.

The fees shown above are all significantly higher than those in Colorado. Staff believes other states have fees similar to Colorado but did not find such fees during research for this issue.

Comparison to Other CPD Programs

The CPD consists of eight programs including program administration. Of the eight, only Artificial Tanning and Wholesale Food are fully cash funded. Six programs receive at least some General Fund support, with the dairy program receiving the most. The following table shows the distribution of General Fund among the Division's various programs in FY 2008-09.

Distribution of General Fund to Consumer Protection Division Programs in FY 2008-09*

Program	General Fund Amount*	GF Percent of Program Budget
Program Administration	\$211,927	34%
Child Care	97,063	100%
Milk and Dairy	433,046	100%
Health Fraud	2,914	100%
Retail Food	277,832	33%
Vector	120,580	100%
Tanning	0	0%
Wholesale Food	0	0%

*Amounts do not include centrally appropriated POTs amounts.

The dairy program is relatively unique among CPD programs in that it serves a readily identifiable industry and is entirely supported by General Fund. Of the three other programs funded entirely with General Fund, two (health fraud and the vector program) have no industry to invoice with a fee, making General Fund necessary to provide state funding. Similar to the dairy program, the child care center inspection program does serve a specific industry and is supported by General Fund. The Department does not have statutory authority to accept any fees for environmental health inspections

of child care facilities.

As shown in the table, two programs (Division Administration and Retail Food) receive partial support from the General Fund. According to the Department, Division Administration receives General Fund because it provides services to programs that receive General Fund. For the retail food program, the Department has said that the General Assembly left a portion of the program funded with General Fund because the program protects the general public.

Staff does not see a significant difference between the dairy program and the Division's various cash funded programs. The program serves a readily identifiable industry which is already defined in terms of the facilities and individuals that the Division licenses and regulates. In addition, the industry appears to have the ability to pay the program's operating costs.

Impact of Additional Fees on the Dairy Industry

According to the state Department of Agriculture, Colorado had approximately 115,000 milk cows producing approximately 2.7 billion pounds of milk in 2007. The farms earned over \$500 million in gross income in 2007, including sales to processing plants, to dealers, and directly to consumers.¹ Staff notes that 2007 was the highest year on record in terms of gross income, up from approximately \$327 million in 2006.

Unfortunately, staff was unable to find information on the income generated by the plants licensed by the Department. However, based only on the gross income from sales at farms in the state, the dairy program's total costs, including laboratory expenses, would represent less than 0.15 percent of dairy farm gross income in 2007 and 0.2 percent of the lower gross income level from 2006. Using farm income as a rough gauge of the industry's size and assuming that processing plants would have at least the same amount of gross sales, staff does not believe that funding the milk and dairy program at current levels would be problematic for the industry in terms of total revenues.

That said, fully funding the program by increasing the current fees would require large fee increases. Total revenues would have to increase from \$1,300 per year to nearly \$660,000. For illustrative purposes, staff has calculated the fee increases that would be necessary to fully fund the dairy program's FY 2008-09 costs while maintaining each category of licensee's relative share of total revenues and keeping flat fees within each category as under the current system (see the table below).

¹See the "Colorado Agricultural Statistics 2008" report, produced jointly by the National Agricultural Statistics Service and the Colorado Department of Agriculture. The report is available at: www.nass.usda.gov/co.

Annual License Fees per License to Fully Fund the Dairy Program

Category of License	Annual Fee Per Licensee	Total Revenues from Each Category
Plant (assuming 40 plants)	\$5,074	\$202,946
Hauler (200 haulers)	\$1,522	\$304,419
Sampler (100 samplers)	\$1,522	\$152,210
Total Revenues		\$659,575

The resulting fee structure would maintain the relative contributions of each type of licensee but could be a challenge for some small processing plants (e.g., plants on-site a small dairies) and the haulers and samplers. In addition, the resulting fees would likely not represent the dairy program workload created by each license. For example, the program inspects grade A milk plants on a quarterly basis but does not incur such costs for each licensed sampler. Thus, a fee system with flat fees per sampler/hauler license but a graduated fee for plants and/or farms based on size would appear to be the most equitable and feasible means of generating significant cash funds. Another option would be to charge an hourly fee for license review and inspection activities (as in Utah). Such a fee would base payment on the program staff's time consumed and would more accurately represent a given license's cost to the program.

Benefits to the General Fund

Cash funding part or all of the dairy program prior to the expiration of Referendum C on July 1, 2010 would allow the state to collect additional cash funds and free up General Fund for other uses where General Fund may be a more appropriate funding source.

Conclusion

Staff recognizes the importance of the dairy industry in Colorado but argues that the Department's current license fee system is inadequate and that the industry should be supporting at least a significant share of the program. If, as in other agricultural programs and the CPD's wholesale food program, the General Assembly based the fees on volume or weight of product rather than the current flat fee system, then costs could be equitably distributed among different producers and manufacturers in the state. Staff believes that the State's farmers should pay licensing and/or inspection fees to support the program. Finally, while the information was too late to analyze in depth, the Department has indicated that the dairy program's costs are likely to exceed the available General Fund in the next year because of increased demands resulting from new large scale plants and licensees. The Department has not submitted a decision item to pay the anticipated costs.

Staff recommends that the Committee sponsor a bill to cash fund the dairy program through licensing and inspection fees. Staff further recommends that the Committee consider including a fee on dairy farms because they are licensed and inspected by the dairy program but pay no fees. Staff recommends that the Committee work with the Department and the Health and Human Services Committees to develop a bill that would equitably raise fees to support the program.

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BRIEFING ISSUE

ISSUE: Water Quality Control Division: Programmatic Demands & Resource Needs

In response to a request for information associated with the FY 2008-09 Long Bill, the Department has submitted a report indicating a need for 53.5 additional FTE in the Water Quality Control Division over the next three years, including 22.5 in FY 2009-10 to allow the Division to meet its statutory responsibilities. However, the Department is not requesting any additional FTE.

SUMMARY:

- ❑ The Water Quality Control Division is in the midst of a significant increase in its workload due to economic and population growth and to new state and federal regulations. As a result, the Division is missing some statutory and regulatory deadlines. The Division expects the workload to continue to grow.
- ❑ Despite an influx of resources in FY 2006-07 and FY 2007-08, the Division foresees the need for at least 53.5 new FTE in the next three years. However, the Department did not submit a decision item for additional FTE in FY 2009-10. The Department has released a discussion document for a potential fee bill to address some of the FTE shortage but it is not clear whether such a bill will be proposed for the 2009 session.

DISCUSSION:

Background

The Water Quality Control Division (WQCD) is responsible for maintaining the quality of the state's water resources so that they are safe to drink, support a diversity and abundance of aquatic life, and are suitable for recreation, irrigation, and commercial use. The Division has authority to implement two federal water quality laws: (1) the Clean Water Act (which requires states to adopt water quality standards based on water body use); and (2) the Safe Drinking Water Act (which is designed to protect the public drinking water supply using national health-based standards set by the U.S. Environmental Protection Agency). The main piece of state legislation the Division is responsible for implementing is the Water Quality Control Act. In general terms, water quality management is focused on:

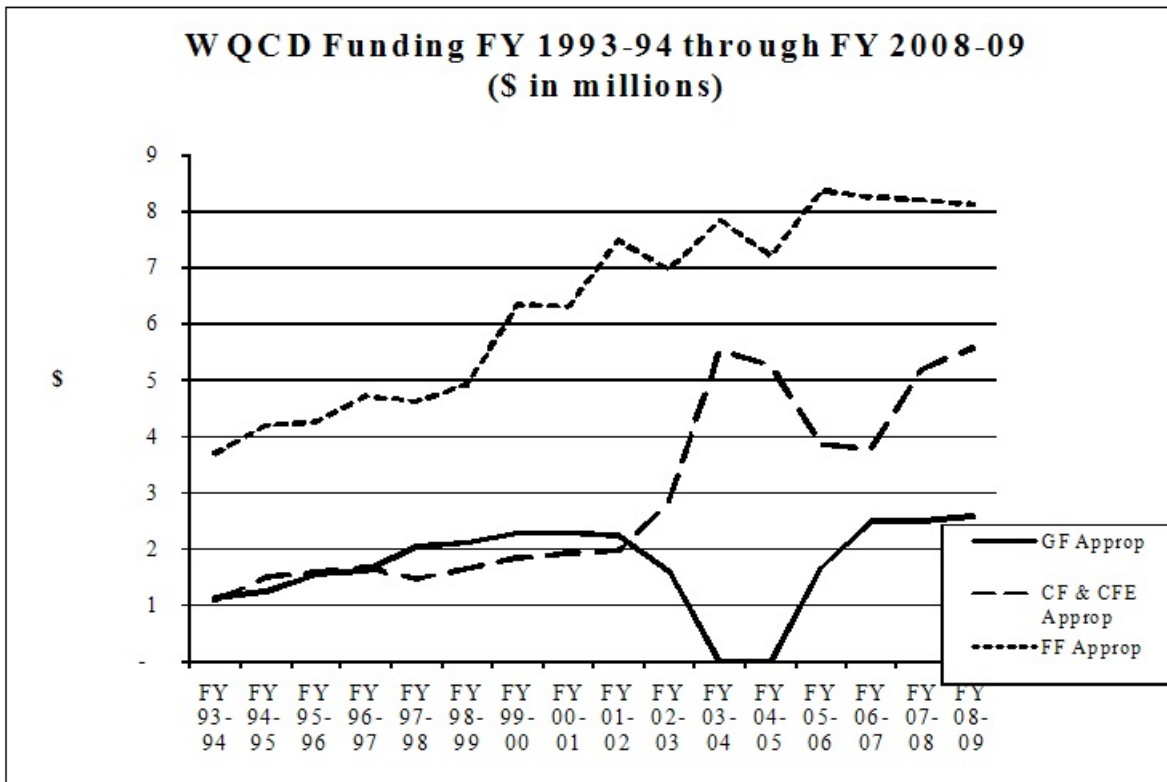
- Monitoring and assessing water bodies;
- Providing appropriate levels of protection where water quality is good;
- Controlling pollution and undertaking various watershed restoration projects where water quality is impacted; and

- Assuring that drinking water is safe for consumption.

Funding and Resource History

In FY 2003-04, due to the state's budget crisis, the Water Quality Control Division's General Fund appropriation was eliminated and replaced with increased wastewater fees and new drinking water fees, pursuant to S.B. 03-276. In addition to fee changes, S.B. 03-276 required the Division to examine its business practices, permit fee schedules, and future funding options, and to submit a report to the General Assembly by December 1, 2004. The report and subsequent EPA audits highlighted some achievements but also identified a serious staffing shortage and other problems with the Clean Water Act Program and the Safe Drinking Water Act Program.²

The S.B. 03-276 fee changes sunset in July 2005 and the Division's funding mix returned to its prior composition. Since then, the Division has received increases in both General Fund support and cash fund spending authority (supported by various fee increases). The Division is now relying on a mixture of General Fund, cash fund revenue and reserves, and federal funds. The graph below illustrates the fund mix changes in the Division's appropriation from FY 1993-94 through FY 2008-09.



² The S.B. 03-276 report and the subsequent EPA audits were discussed in more detail in the FY 2006-07 briefing packet for Department of Public Health and Environment - Environmental Divisions, beginning on page 37.

In terms of staffing, from FY 2001-02 through FY 2005-06, the Division received a total of only 3.0 additional FTE, all through special legislation.³ However, in FY 2006-07 and FY 2007-08, the Division received an influx of resources, including 22.2 FTE (see table below).

WQCD Resource Changes, FY 2006-07 and FY 2007-08⁴

Increases in			
Funding	FTE	Source	Notes
\$760,000 GF \$56,000 CF	10.0	FY 2006-07 Long Bill	The resources were to address concerns in the Division's ability to fulfill its statutory responsibilities.
\$293,000 CF	0.0	H.B. 06-1337	The bill increased civil penalties for water quality control violations, and provided an appropriation for the Division to administer a new grant program
\$505,000 CF and CFE	7.0	FY 2007-08 Long Bill	The resources were to enable the Division to better implement the Clean Water Act program.
\$102,000 CF	1.2	FY 2007-08 Long Bill	The appropriation was to provide additional resources for on-site wastewater management.
\$488,000 CF	4.0	H.B. 07-1329	The bill adjusted wastewater and drinking water fees, and provided additional resources for the Division.
\$2,204,000, including \$760,000 GF	22. 2	TOTAL CHANGES	

Accompanying the new resources provided in the FY 2007-08 Long Bill was a new footnote (#109) requesting that the Department submit a report on the Division's current and anticipated workload, as well as the associated funding and staffing needs. The report submitted in November 2007 indicated that the Division would need an additional 52.3 FTE by FY 2010-11. However, the Division neither requested nor received additional FTE in FY 2008-09. The General Assembly requested a similar report this year with a request for information (#56). The information below on programmatic demands and resource needs was drawn from the report submitted in November 2008.

³ H.B. 02-1344 appropriated \$764,762 cash funds and 4.0 FTE for the Division to examine its standards-setting and classification process, but H.B. 02-1329 reduced the Division's appropriation by \$93,806 cash funds exempt and 1.0 FTE when it transferred responsibility for the monitoring of groundwater where pesticide contamination is likely to the Department of Agriculture.

⁴ This table only shows new resources. Not included are increases in employee benefits or technical adjustments.

WQCD Structure and Resource Needs

The Division is organized into three main programmatic areas: (1) the Drinking Water Program; (2) the Clean Water Facilities Program; and (3) the Watershed Program. Each program has its own subdivision in the Long Bill. Additionally, the Division has an administrative subdivision which also has a Long Bill subdivision. For each programmatic area, what follows is a brief description of its responsibilities, factors driving workload increases, and anticipated resource needs by FY 2011-12.

(1) The Drinking Water Program

The Drinking Water Program is responsible for implementing the Safe Drinking Water Act, which is designed to protect the public drinking water supply using national health-based standards set by the U.S. Environmental Protection Agency. There are 2,125 large and small public water systems in the state. For all of these systems, the Program must: update and revise rules and regulations; disseminate information and provide technical assistance; conduct inspections and follow-ups; process and evaluate sample results; engage in enforcement actions for significant cases of noncompliance; respond to acute risks; and work with public water systems on security, capacity development, and training issues.

The primary factors driving workload growth for this Program are new regulations being promulgated by EPA as required by the Safe Drinking Water Act. These rules include the:

- ***Arsenic Rule***, to avoid incidences of bladder and lung cancer and other non-carcinogenic diseases;
- ***Radionuclide Rule***, to reduce cancers and toxic impacts to kidneys;
- ***Enhanced Surface Water Treatment Rules***, to reduce illness linked with the contaminant *Cryptosporidium* and other disease-causing microorganisms in drinking water;
- ***Disinfectants and Disinfection Byproducts Rules***, to reduce cancers linked to disinfection byproducts;
- ***Filter Backwash Recycle Rule***, to reduce illness risks from pathogens in recycled filter backwash water;
- ***Groundwater Rule***, to protect consumers served by public water systems using groundwater that may be subject to fecal contamination; and
- ***Lead and Copper Rules***, now facing minor revisions to enhance monitoring, treatment, customer awareness, lead service line replacement and public education.

The Division must adopt and implement these rules to retain primacy of the Drinking Water Program. **By FY 2011-12, the Division estimates it will need 20.0 additional FTE at a total cost of approximately \$2.2 million** to completely fulfill its statutory responsibilities. It should be noted that the EPA is expected to promulgate additional rules from 2009 to 2013 that address distribution systems, total coliform, and radon, and is expected to make major revisions to the lead and copper rules. Because the scope and requirements of these rules have not yet been established, the resources to implement them were not incorporated into the Division's need assessment.

(2) The Clean Water Facilities Program

The Clean Water Facilities Program (the Permitting and Compliance Assurance subdivision in the Long Bill) implements programs that assure that discharges of pollutants from point sources to Colorado waters (including regulated stormwater sources) are protective of adopted standards, beneficial uses, and public health. The Program's activities include: reviewing applications and permitting point source discharges to surface and ground waters; compliance assistance and assurance; data entry, management, and analysis; inspections; addressing non-compliance and taking enforcement actions if necessary; responding to phone calls, fish kills, spills, sanitary sewer overflows, and illegal discharges; programs for the oversight and use of reclaimed domestic wastewater; beneficial applications of biosolids and pretreatment of industrial waste; and an onsite wastewater program. The primary factors driving workload in this Program are:

- ***The construction and expansion of wastewater treatment facilities***, which is fueled by population growth. From December 2002 to August 2007, the number of permitted non-stormwater sources increased from 1,557 to 1,839. The Program must approve sites and designs, and provide permitting and compliance assistance.
- ***Construction stormwater permits***, which are also fueled by population growth.
- ***Increased numbers of compliance inspections and audits***.
- ***New ammonia and temperature standards*** adopted by the Water Quality Control Commission that require significant effort to develop permit requirements and provide technical assistance to facilities.
- ***New EPA policies***, including the new Wet Weather Significant Non-compliance Policy, the Compliance Monitoring Strategy, and the Integrated Compliance Information System/National Pollutant Discharge Elimination System Policy.
- ***The potential delegation of the biosolids and pretreatment programs*** from EPA, which the Division is considering seeking.

By FY 2011-12, the Division estimates it will need 15.5 additional FTE at a total cost of approximately \$1.5 million to completely fulfill its statutory responsibilities in this program area.

(3) The Watershed Program

The Watershed Program collects water quality data and assesses the status of surface waters; works to protect waters that are in attainment of their classified use standards; works to restore impaired waters to full attainment of their classified uses and standards; provides grants and loans to communities related to wastewater and drinking water infrastructure for public health protection and for water quality restoration projects; and staffs the Water Quality Control Commission for its water quality standards activities. Work activities include water sample collection, analysis, and

assessment; development of Total Maximum Daily Loads;⁵ nonpoint source pollution management; source water assessment; the protection of ground water and surface water supplies of public drinking water; review and revision of standards; and managing various grants and revolving loan funds.

There are many factors driving workload for the Watershed Program, including:

- ***State-wide aquatic life and wetlands sampling, data assessment, and reporting*** as required under the Federal Clean Water Act.
- ***State-wide sampling, data assessment, and reporting to identify additional fish consumption advisories.*** Colorado currently has 16 fish consumption advisories in effect (primarily for mercury) and this number is expected to rise.
- ***Lake/reservoir and flowing water sampling*** to acquire data for evaluation of water quality status per the federal Clean Water Act.
- ***Adoption of state-wide nutrient and sediment criteria.*** Colorado must either adopt the criteria established by the EPA or develop alternative criteria that are scientifically defensible.
- ***Temperature, ammonia, and copper standards development.***
- ***State-wide wetlands criteria and standards*** are needed to address a gap in the protection of certain wetland types caused by recent changes in federal wetlands policy.
- ***Watershed restoration and source water protection planning*** to improve, restore and protect designated water quality uses as required to access Clean Water Act grant funds (and which is essential to the identification of most effective water quality projects).
- ***Watershed restoration and source water protection projects implementation,*** which is also required to access the majority of federal Clean Water Act grant funds (which are the primary source of funding to address agriculture, silviculture, urban, mining, and hydrologic modification impacts to water quality across Colorado).
- ***Drinking water and wastewater financial needs surveys,*** which are required to acquire federal drinking water and wastewater capitalization grants (and which are the primary means to identify capital infrastructure projects design and construction costs).
- ***Assistance to governmental agencies*** for facilitating effective planning, design, financing, and construction of facilities to comply with the provisions of the applicable state and federal drinking water and wastewater regulations.

By FY 2011-12, the Division estimates it will need 9.0 additional FTE at a total cost of approximately \$1.0 million to completely fulfill its statutory responsibilities and programmatic goals in this area.

⁵ A Total Maximum Daily Load, or TMDL, is the sum of the allowable loads of a single pollutant from all contributing point and nonpoint sources. The calculation must include a margin of safety to ensure that the water body can be used for the purposes the State has designated. The calculation must also account for seasonal variation in water quality. Colorado is under a court-ordered schedule to complete certain TMDLs, plus new TMDLs are routinely added to the workload.

The table below summarizes the anticipated resource needs outlined by the Department for the Water Quality Control Division.

Summary of Resource Needs for the Water Quality Control Division

Program Area	FY 09-10		FY 10-11		FY 11-12		Total	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Drinking Water	5.0	580,080	8.0	862,719	7.0	724,293	20.0	2,167,092
Clean Water Facilities	6.5	654,268	5.0	452,025	4.0	377,458	15.5	1,483,751
Watersheds	6.0	510,647	2.0	309,310	1.0	148,905	9.0	968,862
Administration ⁶	5.0	272,596	4.0	213,628	0.0	0	9.0	486,224
Total	22.5	2,017,591	19.0	1,837,682	12.0	1,250,656	53.5	5,105,929

Notes:

- a. FTE costs are based upon FY 2008-09 Department of Personnel compensation plan. Costs also include \$6,178 in FTE associated operating and capital outlay expenses, which are not ongoing.
- b. In addition to FTE costs, Watershed program costs include \$187,000 in monitoring and modeling costs.
- c. Out-year costs do not include additional salary survey or other employee benefits, or additional leased space costs.
- d. The data for this table is from the Department's November 1, 2008 request for information 56 report and has not been independently evaluated by staff.

Despite the FY 2008-09 needs indicated on the table above, which have changed only incrementally from estimates submitted in the November 2007 report, the Department is not seeking an increase in resources for the Water Quality Control Division in FY 2009-10. This marks the second year that the Division has identified a need for more than 50 FTE over the next three years (and more than 20 in the request year) without requesting any additional FTE.

In the FY 2008-09 budget process, the Department indicated that it had initiated a process to work with the Division's stakeholders and develop a proposal to address the Division's need for resources. The Department has posted a discussion document on it's website⁷ that would apparently raise the necessary fee revenue fund the 22.5 FTE called for in FY 2009-10. However, it is unclear whether the Department will actually pursue a fee bill for the Division in the 2009 session.

⁶ The Administrative subdivision was not discussed in detail. It provides fiscal and budget operations for the Division, records storage, and general clerical support for other division activities. Due to the anticipated expansion in the programmatic areas, including increased staffing, contracts, records generation, and procurement activities, the Division anticipates the need for additional support resources in this subdivision as well.

⁷ The discussion document is available at: <http://www.cdph.state.co.us/wq/WhatsNew/FeeBill.pdf>

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APPENDIX A: NUMBERS PAGES

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT					
Executive Director: James Martir					

(1) ADMINISTRATION AND SUPPORT

(C) Special Environmental Programs

This subdivision houses the appropriations for environmental programs involving multiple division:

Environmental Leadership and Pollution Prevention	1,363,805	978,837	879,035	879,035	
FTE	<u>6.9</u>	<u>7.2</u>	<u>7.0</u>	<u>7.0</u>	
Cash Funds	64,790	82,003	174,176	174,176	
FTE	0.1	0.7	0.0	0.0	
RF/CFE	135,000	37,177	0	0	
Federal Funds	1,164,015	859,657	704,859	704,859	
FTE	6.8	6.5	7.0	7.0	
Housed Commercial Swine Feeding Operations (HCSFO) Program - CF	22,999	58,220	58,316	59,378	
FTE	0.1	0.5	0.5	0.5	
Recycling Resources Economic Opportunity Program - CF	0	326,589	2,629,361	2,629,361	
FTE	0.0	0.6	0.6	1.6	
Advanced Technology Research Grants	<u>0</u>	<u>77,393</u>	495,000	<u>495,000</u>	
Cash Funds	0	0	495,000	495,000	
RF/CFE	0	77,393	0	0	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change
	Actual	Actual	Approp.	Request	Requests
SUBTOTAL - Special Environmental					Req. vs. App.
Programs	1,363,805	1,441,039	4,061,712	4,062,774	0.0%
FTE	<u>6.9</u>	<u>8.3</u>	<u>8.1</u>	<u>9.1</u>	12.3%
Cash Funds	64,790	466,812	3,356,853	3,357,915	0.0%
FTE	0.1	1.8	1.1	2.1	90.9%
RF/CFE	135,000	114,570	0	0	n/a
Federal Funds	1,164,015	859,657	704,859	704,859	0.0%
FTE	6.8	6.5	7.0	7.0	0.0%

(5) AIR QUALITY CONTROL DIVISION

The Division enforces air quality regulations adopted by the Air Quality Control Commission and is responsible for providing air quality management services that contribute to the protection and improvement of public health, ecosystem integrity, and aesthetic values for odor and visibility. The sources of cash funds are the Stationary Sources Control Fund, the Automobile Inspection and Readjustment (AIR) Account of the Highway Users Tax Fund, the Lead Hazard Reduction Fund, and some fee and tuition revenue.

(A) Administration

Personal Services	352,212	346,735	362,156.0	385,113
FTE	<u>4.4</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>
Cash Funds	125,205	125,249	271,747	294,704
FTE	1.6	1.6	3.1	3.1
RF/CFE	140,958	131,090	0	0
FTE	1.5	1.5	0.0	0.0
Federal Funds	86,049	90,396	90,409.0	90,409
FTE	1.3	1.4	1.4	1.4
Operating Expenses - FF	8,609	3,487	9,187	9,187
Capital Outlay - CF	0	150,351	0	0

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
Indirect Cost Assessment	<u>2,095,791</u>	<u>2,199,239</u>	<u>2,624,743</u>	<u>2,625,118</u>	DI #14
Cash Funds	978,124	1,067,781	2,313,464	2,313,839	
RF/CFE	659,316	668,914	0	0	
Federal Funds	458,351	462,544	311,279	311,279	
					Req. vs. App.
SUBTOTAL - Administration	2,456,612	2,699,812	2,996,086	3,019,418	0.8%
FTE	<u>4.4</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	0.0%
Cash Funds	1,103,329	1,343,381	2,585,211	2,608,543	0.9%
FTE	1.6	1.6	3.1	3.1	0.0%
RF/CFE	800,274	800,004	0	0	n/a
FTE	1.5	1.5	0.0	0.0	n/a
Federal Funds	553,009	556,427	410,875	410,875	0.0%
FTE	1.3	1.4	1.4	1.4	0.0%

(B) Technical Services

Personal Services	0	0	2,747,272	2,869,283	
FTE	<u>0.0</u>	<u>0.0</u>	<u>35.1</u>	<u>35.1</u>	
Cash Funds a/	0	0	1,762,618	1,884,629	
FTE	0.0	0.0	21.8	21.8	
Federal Funds	0	0	984,654	984,654	
FTE	0.0	0.0	13.3	13.3	
Operating Expenses	<u>0</u>	<u>0</u>	<u>400,327</u>	<u>410,801</u>	
Cash Funds	0	0	315,766	326,240	
Federal Funds	0	0	84,561	84,561	
Local Contracts	<u>0</u>	<u>0</u>	<u>730,368</u>	<u>730,368</u>	
Cash Funds b/	0	0	636,121	636,121	
Federal Funds	0	0	94,247	94,247	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
(1) Air Quality Monitoring					
Personal Services	1,345,607	1,299,849	0	0	
FTE	<u>17.2</u>	<u>16.5</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds	57,616	58,797	0	0	
FTE	1.5	1.6	0.0	0.0	
RF/CFE	995,493	1,010,883	0	0	
FTE	12.5	12.3	0.0	0.0	
Federal Funds	292,498	230,169	0	0	
FTE	3.2	2.6	0.0	0.0	
Operating Expenses	<u>112,393</u>	<u>108,211</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	0	0	0	
RF/CFE	96,458	91,854	0	0	
Federal Funds	15,935	16,357	0	0	
Local Contracts	<u>252,976</u>	<u>627,120</u>	<u>0</u>	<u>0</u>	
Cash Funds	84,270	430,676	0	0	
RF/CFE	92,034	84,270	0	0	
Federal Funds	76,672	112,174	0	0	
					Req. vs. App.
Subtotal - Air Quality Monitoring	1,710,976	2,035,180	0	0	n/a
FTE	<u>17.2</u>	<u>16.5</u>	<u>0.0</u>	<u>0.0</u>	n/a
Cash Funds	141,886	489,473	0	0	n/a
FTE	1.5	1.6	0.0	0.0	n/a
RF/CFE	1,183,985	1,187,007	0	0	n/a
FTE	12.5	12.3	0.0	0.0	n/a
Federal Funds	385,105	358,700	0	0	n/a
FTE	3.2	2.6	0.0	0.0	n/a

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
(2) Modeling and Analysis					
Personal Services	774,530	765,959	0	0	
FTE	<u>9.8</u>	<u>8.6</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds	81,969	81,039	0	0	
FTE	1.4	1.3	0.0	0.0	
RF/CFE	200,541	182,471	0	0	
FTE	2.4	2.2	0.0	0.0	
Federal Funds	492,020	502,449	0	0	
FTE	6.0	5.1	0.0	0.0	
Operating Expenses	<u>332,050</u>	<u>216,494</u>	<u>0</u>	<u>0</u>	
Cash Funds	15,005	15,005	0	0	
RF/CFE	124,295	112,307	0	0	
Federal Funds	192,750	89,182	0	0	
Ozone Modeling Contracts	<u>0</u>	<u>199,079</u>	<u>0</u>	<u>0</u>	
RF/CFE	0	99,837	0	0	
Federal Funds	0	99,242	0	0	
					Req. vs. App.
Subtotal - Modeling and Analysis	1,106,580	1,181,532	0	0	n/a
FTE	<u>9.8</u>	<u>8.6</u>	<u>0.0</u>	<u>0.0</u>	n/a
Cash Funds	96,974	96,044	0	0	n/a
FTE	1.4	1.3	0.0	0.0	n/a
RF/CFE	324,836	394,615	0	0	n/a
FTE	2.4	2.2	0.0	0.0	n/a
Federal Funds	684,770	690,873	0	0	n/a
FTE	6.0	5.1	0.0	0.0	n/a

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
(3) Visibility and Risk Assessment					
Personal Services	446,913	377,448	0	0	
FTE	<u>4.8</u>	<u>4.1</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds	265,521	254,895	0	0	
FTE	2.8	2.4	0.0	0.0	
RF/CFE	97,517	64,144	0	0	
FTE	1.0	0.8	0.0	0.0	
Federal Funds	83,875	58,409	0	0	
FTE	1.0	0.9	0.0	0.0	
Operating Expenses - FF	35,175	835	0	0	
					Req. vs. App.
Subtotal - Visibility and Risk Assessmt	482,088	378,283	0	0	n/a
FTE	<u>4.8</u>	<u>4.1</u>	<u>0.0</u>	<u>0.0</u>	n/a
Cash Funds	265,521	254,895	0	0	n/a
FTE	2.8	2.4	0.0	0.0	n/a
RF/CFE	97,517	64,144	0	0	n/a
FTE	1.0	0.8	0.0	0.0	n/a
Federal Funds	119,050	59,244	0	0	n/a
FTE	1.0	0.9	0.0	0.0	n/a
					Req. vs. App.
SUBTOTAL - Technical Services	3,299,644	3,594,995	3,877,967	4,010,452	3.4%
FTE	<u>31.8</u>	<u>29.2</u>	<u>35.1</u>	<u>35.1</u>	0.0%
Cash Funds	504,381	840,412	2,714,505	2,846,990	4.9%
FTE	5.7	5.3	21.8	21.8	0.0%
RF/CFE	1,606,338	1,645,766	0	0	n/a
FTE	15.9	15.3	0.0	0.0	n/a
Federal Funds	1,188,925	1,108,817	1,163,462	1,163,462	0.0%
FTE	10.2	8.6	13.3	13.3	0.0%

a/ For FY 2008-09, includes an increase of \$80,008 pursuant to S.B. 08-055.

b/ For FY 2008-09, includes an increase of \$79,187 pursuant to S.B. 08-055.

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
(C) Mobile Sources					
Personal Services	0	0	2,377,104	2,461,278	
FTE	<u>0.0</u>	<u>0.0</u>	<u>30.2</u>	<u>30.2</u>	
Cash Funds /c	0	0	2,180,130	2,264,304	
FTE /c	0.0	0.0	27.3	27.3	
Federal Funds	0	0	196,974	196,974	
FTE	0.0	0.0	2.9	2.9	
Operating Expenses	<u>0</u>	<u>0</u>	<u>338,782</u>	<u>338,280</u>	
Cash Funds d/	0	0	320,532	320,030	
Federal Funds	0	0	18,250	18,250	
Diesel Inspection/Maintenance Program - CF	0	0	647,743	651,569	
FTE	0.0	0.0	6.6	6.6	
Mechanic Certification Program - CF	0	0	7,000	7,000	
Local Grants - CF	0	0	45,299	45,299	
(1) Research and Support					
Personal Services	1,494,458	1,522,501	0	0	
FTE	<u>18.4</u>	<u>16.7</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
RF/CFE	1,305,101	1,356,103	0	0	
FTE	16.0	16.3	0.0	0.0	
Federal Funds	189,357	166,398	0	0	
FTE	2.4	0.4	0.0	0.0	
Operating Expenses	<u>301,919</u>	<u>306,377</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	0	0	0	
RF/CFE	288,127	288,127	0	0	
Federal Funds	13,792	18,250	0	0	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests Req. vs. App.
	Actual	Actual	Approp.	Request	
Subtotal - Research and Support	1,796,377	1,828,878	0	0	n/a
FTE	<u>18.4</u>	<u>16.7</u>	<u>0.0</u>	<u>0.0</u>	n/a
Cash Funds	0	0	0	0	n/a
FTE	0.0	0.0	0.0	0.0	n/a
RF/CFE	1,593,228	1,644,230	0	0	n/a
FTE	16.0	16.3	0.0	0.0	n/a
Federal Funds	203,149	184,648	0	0	n/a
FTE	2.4	0.4	0.0	0.0	n/a

(2) Inspection and Maintenance

Personal Services	715,239	677,917	0	0	
FTE	<u>7.2</u>	<u>8.4</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
RF/CFE	715,239	677,917	0	0	
FTE	7.2	8.4	0.0	0.0	
Operating Expenses	<u>27,184</u>	<u>27,189</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	0	0	0	
RF/CFE	27,184	27,189	0	0	
Diesel Inspection/Maintenance Program	641,935	624,135	0	0	
FTE	<u>6.4</u>	<u>5.5</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds	139,749	162,752	0	0	
FTE	1.6	1.3	0.0	0.0	
RF/CFE	502,186	461,383	0	0	
FTE	4.8	4.2	0.0	0.0	
Clean Screen and High Emitter Programs - RF/CFI	125,716	156,700	0	0	
FTE	1.5	1.4	0.0	0.0	
Mechanic Certification Program - CF	3,182	2,355	0	0	
FTE	0.0	0.0	0.0	0.0	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
Local Grants	<u>45,229</u>	<u>45,299</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	0	0	0	
RF/CFE	45,229	45,299	0	0	
					Req. vs. App.
Subtotal - Inspection and Maintenance	1,558,485	1,533,595	0	0	n/a
FTE	<u>15.1</u>	<u>15.3</u>	<u>0.0</u>	<u>0.0</u>	n/a
Cash Funds	142,931	165,107	0	0	n/a
FTE	1.6	1.3	0.0	0.0	n/a
RF/CFE	1,415,554	1,368,488	0	0	n/a
FTE	13.5	14.0	0.0	0.0	n/a
SUBTOTAL - Mobile Sources	3,354,862	3,362,473	3,415,928	3,503,426	2.6%
FTE	<u>33.5</u>	<u>32.0</u>	<u>36.8</u>	<u>36.8</u>	0.0%
Cash Funds	142,931	165,107	3,200,704	3,288,202	2.7%
FTE	1.6	1.3	33.9	33.9	0.0%
RF/CFE	3,008,782	3,012,718	0	0	n/a
FTE	29.5	30.3	0.0	0.0	n/a
Federal Funds	203,149	184,648	215,224	215,224	0.0%
FTE	2.4	0.4	2.9	2.9	0.0%

c/ For FY 2008-08, includes an increase of \$64,620 and 1.0 FTE pursuant to S.B. 08-055.

d/ For FY 2008-09, includes an increase of \$3,955 pursuant to S.B. 08-055.

(D) Stationary Sources

Personal Services	0	0	6,532,178	6,688,664	DI #14
FTE	<u>0.0</u>	<u>0.0</u>	<u>87.2</u>	<u>87.2</u>	
Cash Funds e/	0	0	5,169,597	5,326,083	
FTE e/	0.0	0.0	67.5	67.5	
Federal Funds	0	0	1,362,581	1,362,581	
FTE	0.0	0.0	19.7	19.7	
Operating Expenses	<u>0</u>	<u>0</u>	<u>404,297</u>	<u>408,947</u>	
Cash Funds f/	0	0	402,967	407,617	
Federal Funds	0	0	1,330	1,330	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
Local Contracts	<u>0</u>	<u>0</u>	<u>837,147</u>	<u>837,147</u>	
Cash Funds g/	0	0	722,067	722,067	
Federal Funds	0	0	115,080	115,080	
Preservation of the Ozone Layer - CF	0	0	219,827	231,305	
FTE	0.0	0.0	2.0	2.0	
(1) Inventory and Support Services					
Personal Services	1,538,044	1,630,208	0	0	
FTE	<u>20.8</u>	<u>20.2</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds	1,025,220	1,098,932	0	0	
FTE	14.2	14.0	0.0	0.0	
Federal Funds	512,824	531,276	0	0	
FTE	6.6	6.2	0.0	0.0	
Operating Expenses - CF	258,661	256,551	0	0	
					Req. vs. App.
Subtotal - Inventory and Support Services	1,796,705	1,886,759	0	0	n/a
FTE	<u>20.8</u>	<u>20.2</u>	<u>0.0</u>	<u>0.0</u>	n/a
Cash Funds	1,283,881	1,355,483	0	0	n/a
FTE	14.2	14.0	0.0	0.0	n/a
Federal Funds	512,824	531,276	0	0	n/a
FTE	6.6	6.2	0.0	0.0	n/a
(2) Permits and Compliance Assurance					
Personal Services	2,854,706	3,490,740	0	0	
FTE	<u>35.2</u>	<u>44.4</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds	2,219,010	2,826,073	0	0	
FTE	30.5	37.1	0.0	0.0	
RF/CFE	99,045	83,726	0	0	
Federal Funds	536,651	580,941	0	0	
FTE	4.7	7.3	0.0	0.0	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
Operating Expenses	<u>38,099</u>	<u>99,815</u>	<u>0</u>	<u>0</u>	
Cash Funds	31,762	45,942	0	0	
Federal Funds	6,337	53,873	0	0	
Local Contracts	<u>558,054</u>	<u>674,096</u>	<u>0</u>	<u>0</u>	
Cash Funds	319,114	557,710	0	0	
Federal Funds	238,940	116,386	0	0	
					Req. vs. App.
Subtotal - Permits and Compliance					
Assurance	3,450,859	4,264,651	0	0	n/a
FTE	<u>35.2</u>	<u>44.4</u>	<u>0.0</u>	<u>0.0</u>	n/a
Cash Funds	2,569,886	3,429,725	0	0	n/a
FTE	30.5	37.1	0.0	0.0	n/a
RF/CFE	99,045	83,726	0	0	n/a
Federal Funds	781,928	751,200	0	0	n/a
FTE	4.7	7.3	0.0	0.0	n/a
(3) Hazardous and Toxic Control					
Personal Services	789,186	869,468	0	0	
FTE	<u>9.8</u>	<u>11.2</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds	654,056	684,147	0	0	
FTE	8.2	9.0	0.0	0.0	
Federal Funds	135,130	185,321	0	0	
FTE	1.6	2.2	0.0	0.0	
Operating Expenses - CF	57,223	58,845	0	0	
Preservation of the Ozone Layer	187,579	199,206	0	0	
FTE	<u>1.3</u>	<u>2.0</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds	128,462	144,553	0	0	
FTE	1.3	2.0	0.0	0.0	
RF/CFE	59,117	54,653	0	0	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests Req. vs. App.
	Actual	Actual	Approp.	Request	
Subtotal - Hazardous and Toxic Control	1,033,988	1,127,519	0	0	n/a
FTE	<u>11.1</u>	<u>13.2</u>	<u>0.0</u>	<u>0.0</u>	n/a
Cash Funds	839,741	887,545	0	0	n/a
FTE	9.5	11.0	0.0	0.0	n/a
RF/CFE	59,117	54,653	0	0	n/a
Federal Funds	135,130	185,321	0	0	n/a
FTE	1.6	2.2	0.0	0.0	n/a

(4) Housed Commercial Swine Feeding
Operation (HCSFO) Program

					Req. vs. App.
Program Costs - CF	22,097	58,220	0	0	n/a
FTE	0.1	0.5	0.0	0.0	n/a
Req. vs. App.					
SUBTOTAL - Stationary Sources	6,303,649	7,337,149	7,993,449	8,166,063	2.2%
FTE	<u>67.2</u>	<u>78.3</u>	<u>89.2</u>	<u>89.2</u>	0.0%
Cash Funds	4,715,605	5,730,973	6,514,458	6,687,072	2.6%
FTE	54.3	62.6	69.5	69.5	0.0%
RF/CFE	158,162	138,379	0	0	n/a
Federal Funds	1,429,882	1,467,797	1,478,991	1,478,991	0.0%
FTE	12.9	15.7	19.7	19.7	0.0%

e/ For FY 2008-09, includes an increase of \$315,237 and 4.0 FTE pursuant to S.B. 08-055.

f/ For FY 2008-09, includes an increase of \$29,976 pursuant to S.B. 08-055.

g/ For FY 2008-09, includes and increase of \$151,890 pursuant to S.B. 08-055.

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	Req. vs. App.
TOTAL - (5) AIR QUALITY CONTROL					
DIVISION	15,414,767	16,994,429	18,283,430	18,699,359	2.3%
FTE	<u>136.9</u>	<u>144.0</u>	<u>165.6</u>	<u>165.6</u>	0.0%
Cash Funds	6,466,246	8,079,873	15,014,878	15,430,807	2.8%
FTE	63.2	70.8	128.3	128.3	0.0%
RF/CFE	5,573,556	5,596,867	0	0	n/a
FTE	46.9	47.1	0.0	0.0	n/a
Federal Funds	3,374,965	3,317,689	3,268,552	3,268,552	0.0%
FTE	26.8	26.1	37.3	37.3	0.0%

(6) WATER QUALITY CONTROL DIVISION

The Division enforces water quality regulations adopted by the Water Quality Control Commission and the State Board of Health through stream classifications and standards, discharge permits, site application reviews, technical assistance, and drinking water surveillance. Cash fund sources include the Water Quality Control Fund, the Sludge Management Program Fund, the Industrial Pretreatment Fund, and the Drinking Water Fund. Reappropriated funds come from transfers from the Department of Agriculture and the Department of Local Affairs.

(A) Administration

Personal Services	861,036	853,149	902,689	938,029
FTE	<u>13.7</u>	<u>13.8</u>	<u>13.8</u>	<u>13.8</u>
General Fund	460,529	467,328	506,837	530,699
FTE	7.8	7.8	7.8	7.8
Cash Funds	186,933	173,844	183,346	194,824
FTE	2.7	2.7	2.7	2.7
Federal Funds	213,574	211,977	212,506	212,506
FTE	3.2	3.3	3.3	3.3
Operating Expenses	<u>52,356</u>	<u>50,709</u>	<u>52,356</u>	<u>52,356</u>
General Fund	18,834	18,834	18,834	18,834
Cash Funds	3,459	3,459	3,459	3,459
Federal Funds	30,063	28,416	30,063	30,063

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change
	Actual	Actual	Approp.	Request	Requests
Capital Outlay	<u>30,051</u>	<u>44,970</u>	<u>0</u>	<u>0</u>	
General Fund	27,046	0	0	0	
Cash Funds	3,005	33,525	0	0	
RF/CFE	0	11,445	0	0	
Indirect Cost Assessment	<u>1,704,660</u>	<u>1,861,796</u>	<u>1,844,340</u>	<u>1,844,340</u>	
Cash Funds	484,113	607,778	994,180	994,180	
RF/CFE	30,469	22,231	0	0	
Federal Funds	1,190,078	1,231,787	850,160	850,160	
					Req. vs. App.
SUBTOTAL - Administration	2,648,103	2,810,624	2,799,385	2,834,725	1.3%
FTE	<u>13.7</u>	<u>13.8</u>	<u>13.8</u>	<u>13.8</u>	0.0%
General Fund	506,409	486,162	525,671	549,533	4.5%
FTE	7.8	7.8	7.8	7.8	0.0%
Cash Funds	677,510	818,606	1,180,985	1,192,463	1.0%
FTE	2.7	2.7	2.7	2.7	0.0%
RF/CFE	30,469	33,676	0	0	n/a
Federal Funds	1,433,715	1,472,180	1,092,729	1,092,729	0.0%
FTE	3.2	3.3	3.3	3.3	0.0%

(B) Watershed Assessment, Outreach, and Assistance

Personal Services	3,044,810	2,539,193	2,877,874	2,930,730
FTE	<u>27.8</u>	<u>26.5</u>	<u>39.6</u>	<u>39.6</u>
General Fund	325,052	293,047	318,992	355,395
FTE	5.4	5.4	5.4	5.4
Cash Funds	283,428	298,087	432,941	449,394
FTE	3.3	3.3	3.3	3.3
RF/CFE	32,870	149,831	38,957	38,957
FTE	0.4	2.6	2.6	2.6
Federal Funds	2,403,460	1,798,228	2,086,984	2,086,984
FTE	18.7	15.2	28.3	28.3

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
Operating Expenses	<u>531,750</u>	<u>663,275</u>	<u>525,768</u>	<u>533,468</u>	
General Fund	376,207	376,207	376,207	380,607	
Cash Funds	0	0	1,000	4,300	
RF/CFE	360	1,625	1,675	1,675	
Federal Funds	155,183	285,443	146,886	146,886	
Local Grants and Contracts - FF	1,631,087	1,821,460	2,136,456	2,136,456	
Water Quality Improvement - CF	0	54,348	117,196	117,196	
					Req. vs. App.
SUBTOTAL - Watershed Assessment, Outreach, and Assistance	5,207,647	5,078,276	5,657,294	5,717,850	1.1%
FTE	<u>27.8</u>	<u>26.5</u>	<u>39.6</u>	<u>39.6</u>	0.0%
General Fund	701,259	669,254	695,199	736,002	5.9%
FTE	5.4	5.4	5.4	5.4	0.0%
Cash Funds	283,428	352,435	551,137	570,890	3.6%
FTE	3.3	3.3	3.3	3.3	0.0%
RF/CFE	33,230	151,456	40,632	40,632	0.0%
FTE	0.4	2.6	2.6	2.6	0.0%
Federal Funds	4,189,730	3,905,131	4,370,326	4,370,326	0.0%
FTE	18.7	15.2	28.3	28.3	0.0%

(C) Permitting and Compliance Assurance

Personal Services	3,194,529	3,877,809	3,593,697	3,712,613	
FTE	<u>37.5</u>	<u>44.2</u>	<u>44.5</u>	<u>44.5</u>	
General Fund	190,761	174,917	179,485	199,073	
FTE	3.0	3.0	3.0	3.0	
Cash Funds	2,200,595	2,689,178	2,981,236	3,080,564	
FTE	28.6	34.3	37.8	37.8	
RF/CFE	261,438	232,687	0	0	
FTE	2.2	3.0	0.0	0.0	
Federal Funds	541,735	781,027	432,976	432,976	
FTE	3.7	3.9	3.7	3.7	
Operating Expenses	<u>411,188</u>	<u>423,818</u>	<u>383,866</u>	<u>392,666</u>	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
General Fund	227,706	227,706	227,706	236,506	
Cash Funds	107,149	113,769	124,996	124,996	
RF/CFE	10,727	11,227	0	0	
Federal Funds	65,606	71,116	31,164	31,164	

Req. vs. App.

SUBTOTAL - Permitting and Compliance					
Assurance	3,605,717	4,301,627	3,977,563	4,105,279	3.2%
FTE	<u>37.5</u>	<u>44.2</u>	<u>44.5</u>	<u>44.5</u>	0.0%
General Fund	418,467	402,623	407,191	435,579	7.0%
FTE	3.0	3.0	3.0	3.0	0.0%
Cash Funds	2,307,744	2,802,947	3,106,232	3,205,560	3.2%
FTE	28.6	34.3	37.8	37.8	0.0%
RF/CFE	272,165	243,914	0	0	n/a
FTE	2.2	3.0	0.0	0.0	n/a
Federal Funds	607,341	852,143	464,140	464,140	0.0%
FTE	3.7	3.9	3.7	3.7	0.0%

(D) Drinking Water Program

Personal Services	3,728,194	4,787,416	3,274,282	3,316,166
FTE	<u>46.5</u>	<u>53.4</u>	<u>44.9</u>	<u>44.9</u>
General Fund	658,562	838,531	858,973	887,465
FTE	15.1	15.1	15.1	15.1
Cash Funds	0	337,867	334,488	347,880
FTE	0.0	3.5	3.5	3.5
Federal Funds	3,069,632	3,611,018	2,080,821	2,080,821
FTE	31.4	34.8	26.3	26.3
Operating Expenses	<u>282,332</u>	<u>275,809</u>	<u>213,583</u>	<u>217,981</u>
General Fund	94,887	94,887	94,887	99,285
Cash Funds	0	1,750	1,750	1,750
Federal Funds	187,445	179,172	116,946	116,946

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change
	Actual	Actual	Approp.	Request	Requests
					Req. vs. App.
SUBTOTAL - Drinking Water Program	4,010,526	5,063,225	3,487,865	3,534,147	1.3%
FTE	46.5	53.4	44.9	44.9	0.0%
General Fund	753,449	933,418	953,860	986,750	3.4%
FTE	15.1	15.1	15.1	15.1	0.0%
Cash Funds	0	339,617	336,238	349,630	4.0%
FTE	0.0	3.5	3.5	3.5	0.0%
Federal Funds	3,257,077	3,790,190	2,197,767	2,197,767	0.0%
FTE	31.4	34.8	26.3	26.3	0.0%
					Req. vs. App.
TOTAL - (6) WATER QUALITY CONTROL					
DIVISION	15,471,993	17,253,752	15,922,107	16,192,001	1.7%
FTE	125.5	137.9	142.8	142.8	0.0%
General Fund	2,379,584	2,491,457	2,581,921	2,707,864	4.9%
FTE	31.3	31.3	31.3	31.3	0.0%
Cash Funds	3,268,682	4,313,605	5,174,592	5,318,543	2.8%
FTE	34.6	43.8	47.3	47.3	0.0%
RF/CFE	335,864	429,046	40,632	40,632	0.0%
FTE	2.6	5.6	2.6	2.6	0.0%
Federal Funds	9,487,863	10,019,644	8,124,962	8,124,962	0.0%
FTE	57.0	57.2	61.6	61.6	0.0%

(7) HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION

The Division enforces the solid and hazardous waste regulations adopted by the Hazardous Waste Commission, providing for cradle-to-gra management of hazardous waste in Colorado to ensure that it does not contaminate the environment or endanger public health. The primary sources of cash funds are the Hazardous Waste Service Fund, the Hazardous Waste Commission Fund, the Hazardous Substance Response Fund, tl Radiation Control Fund, the Solid Waste Management Fund, and the Waste Tire Recycling Development Cash Fund. Reappropriated funds come from transfers from the Department of Transportation and the Department of Local Affairs

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change
	Actual	Actual	Approp.	Request	Requests
(A) Administration					
Program Costs	196,851	179,093	313,151	322,086	
FTE	<u>2.7</u>	<u>1.2</u>	<u>3.4</u>	<u>3.4</u>	
Cash Funds	188,108	179,093	290,685	299,620	
FTE	2.7	1.2	3.1	3.1	
RF/CFE	8,743	0	0	0	
Federal Funds	0	0	22,466.0	22,466	
FTE	0.0	0.0	0.3	0.3	
Legal Services	377,504	1,230,439	461,490	461,490	
hours	<u>6,183</u>	<u>6,145</u>	<u>6,145</u>	<u>6,145</u>	
Cash Funds	235,608	1,074,410	295,239	295,239	
RF/CFE	243	65	500	500	
Federal Funds	141,653	155,964	165,751	165,751	
Capital Outlay - CF	0	0	0	0	
Indirect Cost Assessment	<u>1,756,168</u>	<u>1,747,412</u>	<u>2,050,621</u>	<u>2,050,621</u>	DI #5
Cash Funds	867,213	826,141	1,357,576	1,379,776	
RF/CFE	32,964	34,890	43,045	43,045	
Federal Funds	855,991	886,381	650,000	627,800	
					Req. vs. App.
SUBTOTAL - Administration	2,330,523	3,156,944	2,825,262	2,834,197	0.3%
FTE	<u>2.7</u>	<u>1.2</u>	<u>3.4</u>	<u>3.4</u>	0.0%
Cash Funds	1,290,929	2,079,644	1,943,500	1,974,635	1.6%
FTE	2.7	1.2	3.1	3.1	0.0%
RF/CFE	41,950	34,955	43,545	43,545	0.0%
Federal Funds	997,644	1,042,345	838,217	816,017	-2.6%
FTE	0.0	0.0	0.3	0.3	0.0%

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
(B) Hazardous Waste Control Program					
Personal Services	2,922,987	3,258,539	3,842,807	3,850,842	
FTE	<u>34.6</u>	<u>34.6</u>	<u>42.7</u>	<u>42.7</u>	
Cash Funds	1,280,657	1,238,637	2,206,346	2,214,381	
FTE	15.6	15.3	22.1	22.1	
Federal Funds	1,642,330	2,019,902	1,636,461	1,636,461	
FTE	19.0	19.3	20.6	20.6	
Operating Expenses	<u>169,572</u>	<u>144,703</u>	<u>229,006</u>	<u>232,605</u>	
Cash Funds	42,601	45,663	78,948	79,648	
Federal Funds	126,971	99,040	150,058	152,957	
					Req. vs. App.
SUBTOTAL - Hazardous Waste Control	3,092,559	3,403,242	4,071,813	4,083,447	0.3%
FTE	<u>34.6</u>	<u>34.6</u>	<u>42.7</u>	<u>42.7</u>	0.0%
Cash Funds	1,323,258	1,284,300	2,285,294	2,294,029	0.4%
FTE	15.6	15.3	22.1	22.1	0.0%
Federal Funds	1,769,301	2,118,942	1,786,519	1,789,418	0.2%
FTE	19.0	19.3	20.6	20.6	0.0%

(C) Solid Waste Control Program

Program Costs - CF	1,062,196	1,351,494	2,385,661	2,388,261	DI #7
FTE	11.5	16.7	17.0	20.4	

**(D) Uranium Mill Tailings Remedial
Action Program**

Program Costs	192,229	210,008	236,175	240,894	Req. vs. App.
FTE	<u>2.7</u>	<u>2.7</u>	<u>3.1</u>	<u>3.1</u>	2.0%
RF/CFE	176,628	185,224	190,904	195,323	2.3%
FTE	2.5	2.5	2.6	2.6	0.0%
Federal Funds	15,601	24,784	45,271	45,571	0.7%
FTE	0.2	0.2	0.5	0.5	0.0%

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
(E) Contaminated Site Cleanups					
Personal Services	5,275,449	3,916,566	4,515,558	4,563,385	DI #5
FTE	<u>34.0</u>	<u>30.5</u>	<u>38.4</u>	<u>38.4</u>	
Cash Funds	885,225	679,816	1,103,443	1,188,270	
FTE	11.2	8.0	13.0	13.0	
RF/CFE	20,474	27,127	0	0	
Federal Funds	4,369,750	3,209,623	3,412,115.0	3,375,115	
FTE	22.8	22.5	25.4	25.4	
Operating Expenses	<u>577,648</u>	<u>298,789</u>	<u>222,991</u>	<u>227,991</u>	DI #5
Cash Funds	36,404	32,202	48,082	53,282	
RF/CFE	277	930	0	0	
Federal Funds	540,967	265,657	174,909	174,709	
Contaminated Sites Operation & Maintenance	<u>961,134</u>	<u>1,058,219</u>	<u>2,088,864</u>	<u>2,088,864</u>	DI #5
Cash Funds	102,674	117,516	260,186	1,191,186	
Federal Funds	858,460	940,703	1,828,678	897,678	
Legal Services for CERCLA Contract Oversight-Related Costs - CF	425,000	425,000	425,000	425,000	
Hours	N/A	N/A	N/A	N/A	
					Req. vs. App.
SUBTOTAL - Contaminated Site Cleanups	7,239,231	5,698,574	7,252,413	7,305,240	0.7%
FTE	<u>34.0</u>	<u>30.5</u>	<u>38.4</u>	<u>38.4</u>	0.0%
Cash Funds	1,449,303	1,254,534	1,836,711	2,857,738	55.6%
FTE	11.2	8.0	13.0	13.0	0.0%
RF/CFE	20,751	28,057.0	0	0	n/a
Federal Funds	5,769,177	4,415,983	5,415,702	4,447,502	-17.9%
FTE	22.8	22.5	25.4	25.4	0.0%

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
(F) Rocky Flats Agreement					
Program Costs - FF	253,479	129,087	244,781	244,781	
FTE	2.3	1.0	2.3	2.3	
Legal Services - FF	22,227	10,012	10,439	10,439	
Hours	315	139	139	139	
					Req. vs. App.
SUBTOTAL - Rocky Flats Agreement - FF	275,706	139,099	255,220	255,220	0.0%
FTE	2.3	1.0	2.3	2.3	0.0%
(G) Radiation Management					
Personal Services	1,802,291	1,760,669	1,806,600	2,006,519	DI #8
FTE	<u>20.3</u>	<u>21.5</u>	<u>21.5</u>	<u>23.5</u>	
Cash Funds	1,472,877	1,553,580	1,625,528	1,825,447	
FTE	18.2	19.0	19.2	21.2	
RF/CFE	23,770	0	0	0	
Federal Funds	305,644	207,089	181,072	181,072	
FTE	2.1	2.5	2.3	2.3	
Operating Expenses	<u>261,758</u>	<u>267,965</u>	<u>229,625</u>	<u>267,881</u>	DI #6, 8
Cash Funds	63,659	71,766	72,139	109,995	
Federal Funds	198,099	196,199	157,486	157,886	
					Req. vs. App.
SUBTOTAL - Radiation Management	2,064,049	2,028,634	2,036,225	2,274,400	11.7%
FTE	<u>20.3</u>	<u>21.5</u>	<u>21.5</u>	<u>23.5</u>	9.3%
Cash Funds	1,536,536	1,625,346	1,697,667	1,935,442	14.0%
FTE	18.2	19.0	19.2	21.2	10.4%
RF/CFE	23,770	0	0	0	n/a
Federal Funds	503,743	403,288	338,558	338,958	0.1%
FTE	2.1	2.5	2.3	2.3	0.0%

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change
	Actual	Actual	Approp.	Request	Requests
					Req. vs. App.
SUBTOTAL - (7) HAZARDOUS MATERIALS					
WASTE MANAGEMENT DIVISION	16,256,493	15,987,995	19,062,769	19,381,659	1.7%
FTE	<u>108.1</u>	<u>108.2</u>	<u>128.4</u>	<u>133.8</u>	4.2%
Cash Funds	6,662,222	7,595,318	10,148,833	11,450,105	12.8%
FTE	59.2	60.2	74.4	79.8	7.3%
RF/CFE	263,099	248,236	234,449	238,868	1.9%
FTE	2.5	2.5	2.6	2.6	0.0%
Federal Funds	9,331,172	8,144,441	8,679,487	7,692,686	-11.4%
FTE	46.4	45.5	51.4	51.4	0.0%

(8) CONSUMER PROTECTION

The Consumer Protection Division is responsible for programs designed to protect the public from disease and injury through identification and control of environmental factors in food, drugs, medical devices, institutions, consumer products, and insect and rodent vectors affecting public health. The primary sources of cash funds are the Food Protection Cash Fund, the Wholesale Food Manufacturing and Storage Protection Fund, and the Artificial Tanning Device Education Fund. Reappropriated funds come from transfers from the Department of Corrections and the Department of Human Services.

Personal Services	1,933,014	2,006,460	2,152,610	2,221,900
FTE	<u>26.1</u>	<u>21.2</u>	<u>28.4</u>	<u>28.4</u>
General Fund	1,062,655	1,087,037	1,120,808	1,158,916
FTE	15.2	13.0	16.2	16.2
Cash Funds h/	604,860	575,701	677,710	706,406
FTE h/	7.5	5.0	7.8	7.8
RF/CFE	68,157	64,360	78,887.0	81,373
FTE	2.0	1.2	2.0	2.0
Federal Funds	197,342	279,362	275,205	275,205
FTE	1.4	2.0	2.4	2.4

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change Requests
	Actual	Actual	Approp.	Request	
Operating Expenses	<u>118,929</u>	<u>130,939</u>	<u>124,367</u>	<u>134,006</u>	
General Fund	20,508	29,637	29,637	32,354	
Cash Funds i/	51,510	50,278	56,470	58,329	
RF/CFE	8,900	7,415	9,708	11,229	
Federal Funds	38,011	43,609	28,552	32,094	
Capital Outlay - GF	0	0	0	0	
Indirect Cost Assessment	<u>163,423</u>	<u>152,835</u>	<u>222,281</u>	<u>222,281</u>	
Cash Funds	117,860	102,221	164,458	164,458	
RF/CFE	0	0	7,000	7,000	
Federal Funds	45,563	50,614	50,823	50,823	
					Req. vs. App.
TOTAL - (8) CONSUMER PROTECTION					
DIVISION	2,215,366	2,290,234	2,499,258	2,578,187	3.2%
FTE	<u>26.1</u>	<u>21.2</u>	<u>28.4</u>	<u>28.4</u>	0.0%
General Fund	1,083,163	1,116,674	1,150,445	1,191,270	3.5%
FTE	15.2	13.0	16.2	16.2	0.0%
Cash Funds	774,230	728,200	898,638	929,193	3.4%
FTE	7.5	5.0	7.8	7.8	0.0%
RF/CFE	77,057	71,775	95,595	99,602	4.2%
FTE	2.0	1.2	2.0	2.0	0.0%
Federal Funds	280,916	373,585	354,580	358,122	1.0%
FTE	1.4	2.0	2.4	2.4	0.0%

h/ For FY 2008-09, includes increases of \$22,434 and 0.3 FTE pursuant to H.B. 08-1054.

i/ For FY 2008-09, includes an increase of \$4,960 pursuant to H.B. 08-1054.

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change
	Actual	Actual	Approp.	Request	Requests
					Req. vs. App.
TOTAL -					
ENVIRONMENTAL DIVISIONS	50,722,424	53,967,449	59,829,276	60,913,980	1.8%
FTE	<u>403.5</u>	<u>419.6</u>	<u>473.3</u>	<u>479.7</u>	1.4%
General Fund	3,462,747	3,608,131	3,732,366	3,899,134	4.5%
FTE	46.5	44.3	47.5	47.5	0.0%
Cash Funds	17,236,170	21,183,808	34,593,794	36,486,563	5.5%
FTE	164.6	181.6	258.9	265.3	2.5%
RF/CFE	6,384,576	6,460,494	370,676	379,102	2.3%
FTE	54.0	56.4	7.2	7.2	0.0%
Federal Funds	23,638,931	22,715,016	21,132,440	20,149,181	-4.7%
FTE	138.4	137.3	159.7	159.7	0.0%

**FY 2009-10 Joint Budget Committee Staff Budget Briefing
Department of Public Health and Environment
(Environmental Divisions Only)**

APPENDIX B: SUMMARY OF MAJOR LEGISLATION

- ❑ **S.B. 08-55 (Hagedorn/Madden):** Increases air quality fees assessed by the Department of Public Health and Environment for: registration of refrigeration systems and other appliances that contain ozone-depleting compounds; filing air pollutant emission notices; regulated air pollutants; hazardous air pollutants, including ozone-depleting compounds; and processing applications for prescribed fires. For FY 2008-09, appropriates to the Department \$737,929 cash funds from the Automobile Inspection and Readjustment account of the Highway Users Tax Fund and the Stationary Sources Control Fund, and 5.0 FTE.
- ❑ **S.B. 08-102 (Bacon/Pommer):** Clarifies that revenue generated by solid waste user fees and credited to the Recycling Resources Economic Opportunity Fund may be used for oversight activities for the Recycling Resources Economic Opportunity Program. For FY 2008-09, appropriates 1.0 FTE to the Department for the program.
- ❑ **H.B. 08-1054:** Increases annual registration fees for wholesale food manufacturers and storage facilities. For FY 2008-09, appropriates to the Department \$27,394 cash funds from the Wholesale Food Manufacturing and Storage Protection Cash Fund, and 0.3 FTE.
- ❑ **H.B. 08-1396 (Scanlan/Wiens):** Allows money in the Hazardous Substance Response Fund to be used by the Department to conduct a study to determine whether water from the Canterbury Tunnel is contributing to an increase in the mine pool that feeds into the Leadville Mine Drainage Tunnel and to compare the short- and long-term impacts of drilling a vertical well as opposed to a horizontal well. Requires the Department to report its findings and recommendations to the General Assembly by November 1, 2008. For FY 2007-08, appropriates \$325,000 cash funds from the Hazardous Substance Response Fund to the Department. Reappropriates \$25,000 of this amount to the Department of Law for legal services. These appropriations will remain available until the purposes of the act have been accomplished.

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**APPENDIX C: UPDATE OF FY 2008-09
LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION**

Long Bill Footnotes

- 52a Department of Public Health and Environment, Administration and Support, Special Environmental Programs, Recycling Resources Economic Opportunity Program** -- It is the intent of the General Assembly that the Pollution Prevention Advisory Board prioritize the use of these funds in awarding grants pursuant to Section 25-16.5-106.7 (4) (j), C.R.S., for the reduction of waste tire stockpiles in Colorado.

Comment: The Department indicates that it is complying with the footnote and is prioritizing the use of funds for the reduction of waste tire stockpiles but is not limiting the use of funds to such activities.

- 52b Department of Public Health and Environment, Administration and Support, Special Environmental Programs, Advanced Technology Research Grants** -- It is the intent of the General Assembly that the Pollution Prevention Advisory Board prioritize the use of these funds in awarding grants pursuant to Section 25-16.5-105 (2) (b), C.R.S., for the reduction of waste tire stockpiles in Colorado.

Comment: The Department indicates that it is complying with the footnote and is prioritizing the use of funds for the reduction of waste tire stockpiles but is not limiting the use of funds to such activities.

Requests for Information

- 55 Department of Public Health and Environment, Air Quality Control Division** -- The Department is requested to submit a report on the Air Quality Control Division. This report is requested to include a summary of the Division's current and anticipated workload, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2008.

Comment: The Department has complied with this request. The report indicates that the Department anticipates a need for 15.0 additional FTE over the next three years. The table below shows the distribution of identified FTE needs.

Summary of Resource Needs for the Air Quality Control Division

Program Area	FY 09-10		FY 10-11		FY 11-12		Total	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Mobile Sources	2.0	204,385	2.0	178,839	0.0	0	4.0	383,224
Technical Services	0.0	0	6.0	772,515	0.0	0	6.0	772,515
Stationary Sources	0.0	0	2.0	178,964	3.0	281,152	5.0	460,116
Total	2.0	204,385	10.0	1,130,318	3.0	281,152	15.0	1,615,855

56 Department of Public Health and Environment, Water Quality Control Division -- The Department is requested to submit a report on the Water Quality Control Division. This report is requested to include a summary of the Division's current and anticipated workload, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2008.

Comment: The Department complied with this request. See the issue paper beginning on page 23 for a discussion of current and future Water Quality Control Division programmatic and resource needs.

57 Department of Public Health and Environment, Hazardous Materials and Waste Management Division, Contaminated Site Cleanups -- The Department is requested to submit a report on its CERCLA program. This report is requested to include detailed expenditures for the program, including out-year estimates by project and associated project financing. The report should also include an analysis of long-term funding needs of the State in responding to, litigating, and cleaning up CERCLA sites, including estimated long-term maintenance costs for these sites. The report should also provide information on the Hazardous Substance Response Fund balance and out-year fiscal estimates. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2008.

Comment: The Department complied with this request for information. As discussed under *Factors Driving the Budget* on page 6, beginning in 2002, there were concerns about the fund's long-term solvency after the Legislature transferred \$30.0 million of the fund balance to the General Fund. However, that transfer was repaid in January 2006. At present, the Department estimates that the fund will remain solvent through FY 2024-25. Factors that could change the state's costs and result in the need for more resources more quickly include: (1) the identification of additional Superfund sites; (2) changes in the estimated remediation and on-going maintenance costs at existing sites; (3) changes in federal policies; and (4) changes in the ability of responsible parties to pay their share of costs.