



STATE FISCAL IMPACT

Drafting Number: LLS 13-0348**Date:** January 10, 2013**Prime Sponsor(s):** Rep. Mitsch Bush
Sen. Nicholson**Bill Status:** House Agriculture**Fiscal Analyst:** Josh Abram (303-866-3561)

TITLE: CONCERNING THE RETENTION OF THE AVALANCHE INFORMATION CENTER
WITHIN THE DEPARTMENT OF NATURAL RESOURCES.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue Cash Funds - Fees Geological Survey Fund Colorado Avalanche Information Fund	No net change.	
State Expenditures Cash Funds Geological Survey Fund Colorado Avalanche Information Fund	No net change.	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: None required. See State Appropriations section.		

Summary of Legislation

Under current law, the Colorado Geologic Survey (CGS) is scheduled to transfer to the Colorado School of Mines (Mines) on January 31, 2013. This transfer results from House Bill 12-1355, and a memorandum of understanding (MOU) between the president of the university and the executive director of the Department of Natural Resources (DNR). This bill retains the functions of the Colorado Avalanche Information Center (CAIC), currently part of the CGS, in the DNR.

The CAIC is created as a Type 2 agency under the direction of the executive director of the DNR, and permitted to enter fee-for-service contracts with state agencies. The bill creates the Colorado Avalanche Information Center Fund to contain statutory transfers, state appropriations, and any fees the CAIC collects.

Background

The CGS receives funding from the Operational Account of the Severance Tax Trust Fund, from federal funds, and from fees for geological services paid by local governments and state agencies. Fees are deposited in the Geological Survey Cash Fund. In FY 2011-12, the DNR received approximately \$4.8 million and 36.1 FTE in transfers, state appropriations, federal funds, and fee revenue. The CGS receives no General Fund appropriations.

House Bill 12-1355, passed during the 2012 legislative session, transfers the powers, duties, and functions of the CGS from the DNR to Mines. The transfer occurs on January 31, 2013, as provided in the MOU between the president of the university and the executive director of the DNR. HB12-1355 was passed after adoption of the FY 2012-13 Long Bill, which did not contemplate the transfer. Similarly, the DNR budget request for FY 2013-14 assumed that the CGS would stay with the department, since no MOU had been reached prior to the agency's deadline for submitting its budget.

In December of 2012, the DNR and Mines entered into a MOU that transfers most of the functions of the CGS, but excludes the CAIC. Since HB 12-1355 statutorily transfers the entire CGS to Mines, including the CAIC, the DNR and Mines requested this bill, House Bill 13-1057, in order to retain the CAIC in the department.

This bill allows the CAIC to continue operating as part of the DNR. The CAIC's total resources, as appropriated in the FY 2012-13 Long Bill, are retained at the department in a newly established fund.

State Revenue and Expenditures

This bill will result in no net change in revenue or expenditures. Since the MOU excludes the CAIC, this bill allows the continuation of CAIC operations in the DNR. For FY 2012-13, the CAIC has an approved budget of \$743,334 and 8.4 FTE; passage of HB13-1057 will not change this current fiscal year appropriation. Fees to the CAIC are estimated at \$40,000 annually.

Although the bill does not require a change in appropriations, it will change the amount of money that will be transferred from DNR to Mines on January 31, 2013; however, that change is implemented under current law, and following the provisions of the MOU. For informational purposes, Table 1 shows the estimated budget for the CAIC in the DNR for the remainder of FY 2012-13. Table 1 also shows the estimated expenditure and FTE as a result of the MOU between Mines and DNR. Actual appropriation adjustments will be determined during the supplemental budget process and in the FY 2013-14 Long Bill.

Table 1: State Expenditures HB 12-1355 and HB 13-1057			
	FY 2012-13*	FY 2013-14	FY 2014-15
CAIC Retained in DNR	\$476,462 3.5 FTE	\$743,334 8.4 FTE	\$743,334 8.4 FTE
CGS Transferred to Mines	\$2,636,759 4.9 FTE	\$1,563,401 12.0 FTE	\$1,563,401 12.0 FTE

**FY 2012-13 is a 5 month impact, February 1, 2013 through June 30, 2013.*

State Appropriations

The bill does not require an appropriation. FY 2012-13 appropriations are unchanged by the bill, and the FY 2013-14 Long Bill will account for the current law transfer made in the MOU between DNR and Mines.

Departments Contacted

Higher Education

Natural Resources