Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 ☑	Base Reduction Item FY 2011-12 ☐	Supplemental FY 2010-11 ☐	Budget Amendment FY 2011-12 ☐

Request Title: Snowmobile Program Costs Refinance
Department: Natural Resources
Priority Number: DI-4 of 7

Dept. Approval by: Will H. Lacrie **Date:** 10/14/2010
OSPB Approval: Julia Ramsey **Date:** 10.14.10

	Fund	1 Prior-Year Actual FY 2009-10	2 Appropriation FY 2010-11	3 Supplemental Request FY 2010-11	4 Total Revised Request FY 2010-11	5 Base Request FY 2011-12	6 Decision/ Base Reduction FY 2011-12	7 November 1 Request FY 2011-12	8 Budget Amendment FY 2011-12	9 Total Revised Request FY 2011-12	10 Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	28,078,577	24,458,811	0	24,458,811	24,781,994	0	24,781,994	0	24,781,994	0
	FTE	246.7	255.7	0.0	255.7	255.7	0.0	255.7	0.0	255.7	0.0
	GF	2,373,023	1,643,963	0	1,643,963	1,693,665	0	1,693,665	0	1,693,665	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	25,300,134	22,369,459	0	22,369,459	22,642,940	0	22,642,940	0	22,642,940	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	405,420	445,389	0	445,389	445,389	0	445,389	0	445,389	0
(6) Parks and Outdoor Recreation, (A) State Park Operations	Total	28,078,577	24,458,811	0	24,458,811	24,781,994	0	24,781,994	0	24,781,994	0
	FTE	246.7	255.7	0.0	255.7	255.7	0.0	255.7	0.0	255.7	0.0
	GF	2,373,023	1,643,963	0	1,643,963	1,693,665	0	1,693,665	0	1,693,665	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	25,300,134	22,369,459	0	22,369,459	22,642,940	0	22,642,940	0	22,642,940	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	405,420	445,389	0	445,389	445,389	0	445,389	0	445,389	0

Non-Line Item Request: None
Letternote Revised Text for FY 2010-11: None
Letternote Text Requested for FY 2011-12: (A) State Park Operations, letternote "a" language will be changed to increase the amount from the Snowmobile Recreation Fund by $65,715 and to correspondingly decrease the amount from the Parks and Outdoor Recreation Cash Fund by $65,715.
Cash or Federal Fund Name and COFRS Fund Number: CF: Parks Cash Fund 172 and Snowmobile Recreation Fund 173
Reappropriated Funds Source, by Department and Line Item Name: N/A
Approval by OIT? Yes: ☐ No: ☐ N/A: ☑
Schedule 13s from Affected Departments: N/A

CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Natural Resources – Division of Parks and Outdoor Recreation
Priority Number:	DI-4 of 7
Change Request Title:	Snowmobile Program Costs Refinance

SELECT ONE (click on box):

☒ Decision Item FY 2011-12
☐ Base Reduction Item FY 2011-12
☐ Supplemental Request FY 2010-11
☐ Budget Request Amendment FY 2011-12

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

☒ Not a Supplemental or Budget Request Amendment
☐ An emergency
☐ A technical error which has a substantial effect on the operation of the program
☐ New data resulting in substantial changes in funding needs
☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

This is a FY 2011-12 Decision Item Request to refinance the spending authority for the administration of the Snowmobile Program. This would be accomplished through a change in the State Parks Operations Long Bill line annotation "a" by increasing the funding from the Snowmobile Recreation Fund by $65,715 and decreasing the funding from the Parks Cash Fund by $65,715. This refinance would not result in a net change to the total appropriation. The division of Parks requests a refinance to ensure that the costs of managing the Snowmobile Program are funded to the greatest extent possible from the Snowmobile Recreation Fund, which derives its revenues from snowmobile registration fees.

General Description of Request:

This is a FY 2011-12 Decision Item Request to refinance the spending authority for the administration of the Snowmobile Program. This would be accomplished through a change in the State Parks Operations Long Bill line annotation "a" by increasing the funding from the Snowmobile Recreation Fund by $65,715 and decreasing the funding from the Parks Cash Fund by $65,715. This request is 100% Cash Funded because it will enable the Division to have the spending authority needed to pay for the existing

administrative costs of the Snowmobile Program with the Snowmobile Fund revenues rather than the Parks Cash Fund. The refinance will have no impact to the General Fund, and it will have a net zero impact to the Division's overall operational budget.

The requested amount of refinance is $65,715, and it is a conservative number based on the review of the actual administrative costs to carry out the Snowmobile Program. Currently, the administrative overhead for the Snowmobile Program is largely subsidized by the Parks' Cash Fund. Due to the General Fund budget reductions, the State Parks Operations line is unable to continue subsidizing the Snowmobile Program's administrative costs related to processing and issuance of registrations. Specifically, the division requests that the operational costs of the State Parks' Registrations Unit attributable to the snowmobile registrations be paid by the Snowmobile Recreation Fund.

The Registrations Unit processes between 36,000 and 38,000 snowmobile registrations per year, which is approximately 14% of the unit's total registration volume. The processing time is about the same for all registrations. Since 14% of the Registrations Unit's work is to support the Snowmobile Program, the division requests to increase the spending authority from the Snowmobile Recreation Fund by $65,715. The amount of $65,715 is 14% of this unit's annual operational costs.

Additionally, Snowmobile Program already pays a base of $56,975 for administrative overhead related to management, budget, and accounting. As such, the request would have the Snowmobile Program pay for a total of $122,690 in State Park Operations in FY 2011-12.

The division has also considered the administrative cost ceiling per Section 33-14-106 C.R.S. and the ability of the Snowmobile Program revenues to support this additional spending authority request. According to the Section 33-14-106 C.R.S., the Division can use up to five dollars per original or renewal snowmobile registration for administrative costs. The division sells between 36,000 and 38,000 snowmobile registrations annually which result in approximately $185,000 statutory cap for the administrative costs based on the recent three fiscal year information.

This request has a net-zero impact on the State Parks overall operational budget. The purpose of the request is to enable State Parks to "true up" the spending authority for Snowmobile administration to more closely reflect the actual administrative costs of the Snowmobile Program. The existing Snowmobile Fund revenues are able to support this requested refinance.

Consequences if Not Funded:

If this request is not funded, the Division will have to continue subsidizing the administrative overhead for the Snowmobile Program out of the Parks' Cash Fund. However, due to the General Fund budget reductions, continuing to subsidize the Snowmobile Program's administrative costs related to processing and issuance of registrations would present a significant burden to the State Parks Cash Fund.

Not refinancing the administrative overhead related to the Registrations Unit's cost will negatively impact the amount of funding available for providing a current level of customer service at Colorado state parks.

This request has a net-zero impact on the State Parks overall operational budget. The requested refinance will provide the spending authority needed so that the Snowmobile Program pays for its share of the Registrations Unit's administrative costs. The existing Snowmobile Fund revenues are able to support this requested refinance. State Parks will continue to be in compliance with the statutory limitations for the administrative cost pursuant to the Section 33-14-106 C.R.S.

In general, funding for this request is essential for the Department to meet critical goals, such as providing outdoor recreation in Colorado. Outdoor recreation is an important and sizable portion of Colorado's tourism economy.

Calculations for Request:

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request - (A) State Park Operations Long Bill Line Item	$0	$0	$0	$0	$0	0.0
Snowmobile Recreation Fund – annotation "a" to the (A) State Park Operations Long Bill Line Item	$65,715	$0	$65,715	$0	$0	0.0
Parks and Outdoor Recreation Cash Fund – annotation "a" to the (A) State Park Operations Long Bill Line Item	($65,715)	$0	($65,715)	$0	$0	0.0

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request - (A) State Park Operations Long Bill Line Item	$0	$0	$0	$0	$0	0.0
Snowmobile Recreation Fund – annotation "a" to the (A) State Park Operations Long Bill Line Item	$65,715	$0	$65,715	$0	$0	0.0
Parks and Outdoor Recreation Cash Fund – annotation "a" to the (A) State Park Operations Long Bill Line Item	($65,715)	$0	($65,715)	$0	$0	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2009-10 Expenditures*	FY 2009-10 End of Year Cash Balance*	FY 2010-11 End of Year Cash Balance Estimate*	FY 2011-12 End of Year Cash Balance Estimate*	FY 2012-13 End of Year Cash Balance Estimate*
Parks and Outdoor Recreation Cash Fund	172	$30,241,102	$2,650,870	$2,650,870	$2,650,870	$2,650,870
Snowmobile Recreation Fund	173	$906,409	$496,069	$480,193	$396,899	$313,605

*All amounts are in millions. Cash balances reported represent fund balance amounts projected at year-end.

Assumptions for Calculations: This request is technical in nature. The Division has reviewed the actual administrative costs of the Registrations Unit to carry out the Snowmobile Program during the last three fiscal years (FY 2006-07 through FY 2008-09).

1) Snowmobile registrations as a percentage of the Registrations Unit's work volume:
37,000 average number of snowmobile registrations processed per year
÷270,000 average total number of different registrations (OHV, snowmobile, boat)
Approximately 14%

2) Registration Unit costs attributable to the snowmobile registrations:
$469,378 average Registration Unit costs (3-year actual costs average)
x 14% to process snowmobile registrations
$65,715 approximate Registration Unit's annual operational costs in order to process snowmobile registrations

Impact on Other Government Agencies: This request will not have an impact on other government agencies.

Cost Benefit Analysis: Because this Decision Item request is technical in nature and has no net cost, the Division has not done a cost benefit analysis. This Decision Item request is to refinance $65,715 of Parks Cash Fund spending authority with an equal amount of the Snowmobile Fund spending authority in State Parks Operations Long Bill line item, annotation "a", in order to better reflect the administrative costs of the Snowmobile Program. This action will create no new costs to the State, and the associated programs will continue to provide the same benefit that they currently do.

Implementation Schedule:

Task	Month/Year
Achieve equitable refinance of State Park Operations	July 1, 2011 – June 30, 2012

Statutory and Federal Authority: *33-14-106, C.R. S. (1985)* Snowmobile recreation fund - creation - use of moneys.
Except as provided in Section 33-15-103 (1), C.R.S., when enforcement is by a wildlife officer, all fees from the registration of snowmobiles and one-half of all moneys collected for fines under this article, and all interest earned on such moneys, shall be credited to the snowmobile recreation fund, hereby created, and shall be used for the administration of this article and for the establishment and maintenance of snowmobile trails, vehicle parking areas, and facilities. However, any moneys collected in excess of five dollars per original or renewal registration shall be used exclusively for direct services and not administrative costs. The remaining one-half of all fines collected shall be credited to the state general fund.

Performance Measures: The following performance measures, in the Division's Strategic Plan, are supported by this request: park acres, park stewardship, and customer satisfaction. In the absence or

delay of adequate funding for State Park Operations, the Division's ability to meet its benchmark performance will be compromised.

Since this Decision Item is technical in nature and has a net zero impact to the Division, it will not have an impact on any of the strategic plan performance measures. The result will be increased transparency for the administrative costs of the Snowmobile Program and a more fair funding of the Division's overhead costs.