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: River Outfitters Refinance
Department: Natural Resources
Priority Number: DI-7 of 7

Dept. Approval by: Will H. Levine **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	28,151,426	24,533,277	0	24,533,277	24,856,460	0	24,856,460	0	24,856,460	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	25,372,983	22,443,925	0	22,443,925	22,717,406	0	22,717,406	0	22,717,406	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	(68,500)	24,713,494	0	24,713,494	(68,500)
	FTE	246.7	255.7	0.0	255.7	255.7	(0.5)	255.2	0.0	255.2	(0.5)
	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	(68,500)	22,574,440	0	22,574,440	(68,500)
	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, (C) Special Purpose, River Outfitters Regulation	Total	72,849	74,466	0	74,466	74,466	68,500	142,966	0	142,966	68,500
	FTE	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.0	0.5	0.5
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	72,849	74,466	0	74,466	74,466	68,500	142,966	0	142,966	68,500
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	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 decrease the amount from the Parks and Outdoor Recreation Cash Fund by $68,500.
(C) Special Purpose - River Outfitters Regulation, letternote "b" language will be changed to increase the amount from the River Outfitters Cash Fund from $74,466 to $84,466 and to include the amount of $58,500 from the Parks and Outdoor Recreation Cash Fund.

Cash or Federal Fund Name and COFRS Fund Number: CF: Parks Cash Fund 172 and River Outfitters Fund 175

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-7 of 7
Change Request Title:	River Outfitters 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 net-zero Decision Item request to reflect the full costs of the River Outfitter Program in a more transparent manner. This would be achieved by: (1) decreasing the appropriation to the State Parks Operations line by $68,500 CF from the Parks Cash Fund; (2) increasing the appropriation to the River Outfitters Regulation line item by $10,000 CF to be funded from the River Outfitters Fund, and; (3) increasing the appropriation to the River Outfitters Regulation line item by $58,500 CF from the Parks and Outdoor Recreation Cash Fund. In addition to improving transparency, this decision item will ensure that the costs of running the River Outfitters Program are funded to the greatest extent possible from the River Outfitters Fund, which derives its revenues from river outfitters license fees.

General Description of Request:

This is a FY 2011-12 Decision Item Request to refinance the spending authority for the direct costs of running the River Outfitters Program in the amount of $68,500. This would be accomplished through a change in the (C) Special Purpose – River Outfitters Regulation Long Bill Line Item by increasing the spending authority for the River

Outfitters Program by $10,000 from the River Outfitters Fund, and by funding $58,500 with the Parks Cash Fund with a corresponding $68,500 decrease in the Parks Cash Fund spending authority for the State Parks Operations Long Bill Line Item. This request is 100% Cash Funded and will enable the Division to have the spending authority needed to pay for the existing direct costs of the River Outfitters Program from the adequate spending authority in the River Outfitters Special Purpose line rather than out of the State Park Operations Long Bill Line Item's spending authority. 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 $68,500, and it is a conservative number based on the review of the actual direct costs to carry out the River Outfitters Program. The current spending authority of $74,466 in the River Outfitters Regulation Line Item covers only operating and most but not all temporary employee costs. In order to include the total costs of this program in the River Outfitters Special Purpose Long Bill Line Item, the spending authority needs to be increased by $68,500. This amount is our estimate of the 0.5 FTE assigned to the River Outfitters Program, the variable mileage and maintenance costs for the two vehicles, and one temporary employee cost.

Currently, the entire personal service cost of the River Outfitter Program manager is paid from the Parks Cash Fund, however, at least one half of the manager's time is spent on the River Outfitter Program. The River Outfitter Program manager performs a variety of duties to ensure that the River Outfitter Program is administered in accordance with applicable rules, monitors safety and training aspects of the Program, and acts as point of contact for all matters related to the Program. Additionally, the River Outfitter Program usually hires three temporary employees during busy season from May through October. Only two of the three temporary employees' costs are currently charged to the Program, the third temporary employees' cost is absorbed by Parks Cash Fund. The requested spending authority refinance will enable to reflect all of these costs in the River Outfitter Program.

Due to the General Fund budget reductions, the Division is seeking to curtail subsidy of special programs from Parks Cash Fund. Therefore, the Division is requesting to fund $10,000 of the requested $68,500 refinance from the River Outfitters Fund Excess Uncommitted Fee Reserve Balance of $41,132 thus amortizing this excess reserve over the four year period. The Excess Uncommitted Fee Reserve Balance is annually determined by the State Controller's Office and reported on Schedule 9A "Cash Funds Reports" of the FY 2010-11 Budget Request. Additionally, in the next five years the Division might be evaluating its current River Outfitter's licensing fees for potential increase because the current fees have been in effect for over a decade. This will ensure the long-term sustainability of the requested refinance.

The remaining $58,500 of the requested $68,500 refinance will be accomplished through a net zero transfer of the existing spending authority from the Parks Cash Fund in the State Park Operations Line Item to the Special Purpose – River Outfitters Regulation Line Item.

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 the River Outfitters Regulation Line Item to more closely reflect the actual direct costs of this Program.

Consequences if Not Funded:

If this request is not funded, the Division will have to continue subsidizing the direct costs of the River Outfitters Program out of the Parks' Cash Fund in the amount of $68,500. However, due to the General Fund budget reductions, continuing to subsidize the River Outfitters Program would present a significant burden to the State Parks Cash Fund. Therefore, the division is requesting to fund $10,000 of the requested $68,500 refinance from the River Outfitters Fund. Although the Division's analysis would suggest refinancing more than the requested $10,000 from the River Outfitters Fund, the requested amount was chosen because it represents a sustainable level of refinancing over the long term. Additionally, in the next five years the Division might be evaluating its current River Outfitter's licensing fees for potential increase because the current fees

have been in effect for over a decade. This will ensure the long-term sustainability of the requested refinance.

Not refinancing the direct costs related to the River Outfitters Program will negatively impact the amount of funding available for providing a current level of customer service at Colorado state parks. Additionally, the current spending authority in the Special Purpose – River Outfitters Regulation Line Item does not reflect the actual direct costs of running the Program.

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 River Outfitters Program pays for its share of the direct costs to the extent possible.

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 – (6) Parks and Outdoor Recreation	$0	$0	$0	$0	$0	0.0
River Outfitters Cash Fund – annotation "b" to the (C) Special Purpose – River Outfitters Regulation Long Bill Line Item	$10,000	$0	$10,000	$0	$0	0.0

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Parks and Outdoor Recreation Cash Fund – annotation "b" to the (C) Special Purpose – River Outfitters Regulation Long Bill Line Item	$58,500	$0	$58,500	$0	$0	0.5
Parks and Outdoor Recreation Cash Fund – annotation "a" to the (A) State Park Operations Long Bill Line Item	($68,500)	$0	($68,500)	$0	$0	(0.5)

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request – (6) Parks and Outdoor Recreation	$0	$0	$0	$0	$0	0.0
River Outfitters Cash Fund – annotation "b" to the (C) Special Purpose – River Outfitters Regulation Long Bill Line Item	$10,000	$0	$10,000	$0	$0	0.0
Parks and Outdoor Recreation Cash Fund – annotation "b" to the (C) Special Purpose – River Outfitters Regulation Long Bill Line Item	$58,500	$0	$58,500	$0	$0	0.5
Parks and Outdoor Recreation Cash Fund – annotation "a" to the (A) State Park Operations Long Bill Line Item	($68,500)	$0	($68,500)	$0	$0	(0.5)

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 Outdoors Recreation Cash Fund	172	$34,241,102	$2,650,870	$2,650,870	$2,650,870	$2,650,870
River Outfitters Fund	175	$72,849	$71,369	$68,903	$56,437	$43,971

*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 total actual costs to carry out the River Outfitters Program during the last three fiscal years (FY 2006-07 through FY 2008-09).

The existing spending authority of $74,466 is only sufficient to pay for the ongoing operating costs and the costs of hiring two out of three temporary employees. There are three significant direct cost components of the River Outfitters Program that are currently paid using the State Park Operations spending authority rather than River Outfitters Regulation spending authority. The three costs are 0.5 FTE permanently assigned to the River Outfitters Program, variable mileage and maintenance costs for the two vehicles used by the Program, and the cost of one temporary employee attributable to the River Outfitters Program but currently paid out of State Park Operations.

1) Annual 0.5 FTE cost to operate the River Outfitters Program:
$3,208 0.5 FTE actual cost per month
x 12 months
Approximately $38,500

2) Variable mileage costs (covering fuel and maintenance costs) for the two vehicles used by the River Outfitters Program:
$1,384 variable mileage costs for two vehicles (3-year actual costs average)
x 12 months
Approximately $16,608

3) Temporary employee cost to operate the River Outfitters Program:
$2,232 temporary employee cost per month
x 6 months
Approximately $13,392

Total approximately $68,500 per year.

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 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: *Section 33-32-111, C.R. S. (1994)* Fees – River Outfitters Cash Fund.

All fees collected under this article shall be transmitted to the state treasurer who shall credit the same to the river outfitters cash fund, which fund is hereby created. The

general assembly shall make annual appropriations from such fund for the direct and indirect costs of administration of this article.

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 direct costs of the River Outfitters Program and a more fair funding of the Division's special program's costs.