

November 30, 2012

Gail Schwartz  
Colorado State Senator  
Chair, Agriculture, Natural Resources & Energy Committee  
200 E. Colfax Ave.  
Denver, CO 80203

Dear Senator Schwartz,

Pursuant to § 23-41-201(6) C.R.S., I respectfully submit this update concerning the transfer of the Geological Survey and the Office of the State Geologist to Colorado School of Mines.

#### MOU Status

The memorandum of understanding is near completion but has not yet been officially executed. Based on the progress to date, and the lack of any significant unresolved issues, both the Department of Natural Resources and Colorado School of Mines fully anticipate signing the agreement by the December 31<sup>st</sup> deadline.

#### MOU Contents

The current draft of the MOU (with schedules) is attached. A brief summary of the contents of the MOU related to transferring functions and employees follows below. The MOU also contains schedules that detail the transfer of property, contracts, appropriations, and the geological survey cash fund.

#### 1) Regarding the functions and objectives of the geological survey transferring to Mines.

House Bill 12-1355 anticipated that only a portion of the existing severance tax fund appropriation for the geological survey would transfer to Mines. As a result, the bill changed statute to reflect that Mines would only be responsible for continuing those functions that would be supported by ongoing severance tax or other ongoing cash funds as identified in an MOU. All statutory functions of the geological survey were transferred to Mines, however, to allow the Survey to fulfill those functions in the future should new funding be allocated or earned.

A detailed listing of the functions transferring to Mines with funding and those transferring without funding is listed in Schedule 1.1 on page 19 of the MOU. In summary, only functions and positions related to land use review and geologic hazards will remain funded and thus will continue without interruption upon transfer to Mines. The other functions and associated positions will cease until new funding sources can be secured.

Two exceptions are positions related in geothermal energy and carbon sequestration. These two positions will be transferred to Mines in order to fulfill existing grant contracts. However these positions will not be funded through ongoing severance tax in the MOU and will be discontinued

1500 Illinois Street Golden, CO 80401

**MINES.EDU**  
T 303-273-3280  
F 303-273-3285

upon completion of the existing grants unless additional grants can be secured. Although nothing is certain we are optimistic that such grants can be secured given current research projects and interests in this area by Mines faculty. Meetings between these position holders and Mines faculty are being arranged to begin seeking such funding.

It was anticipated at the time of HB 12-1355 that the Colorado Avalanche Information Center would transfer to Mines. However after further analysis and discussion during the development of the MOU, both parties agreed to keep this function fully intact with funding and staff in the Department of Natural Resources. The main reason for this decision was Mines' determination that the operational nature of avalanche forecasting functions, as well as the emergency response activities of the CAIC, did not fit the role and mission of a research university.

2) Regarding the transfer of employees of the geological survey and the office of the state geologist in conformance with the laws applicable to employees.

Schedule 1.3 (page 22 of the draft MOU) and Schedule 1.7 (page 26) list the positions that are transferring to Mines and the positions that are not transferring to Mines, respectively. In total, we anticipate 13 staff positions will transfer to Mines. In section 2.1 of the MOU (page 6), both parties acknowledge compliance with all laws relating to the employment of all transferred employees. We have engaged the assistance of the Attorney General's office throughout the process to further ensure compliance with all applicable state law and state personnel employment rules.

In conclusion, while we are working hard to make this transition go as smoothly as possible for the impacted employees and stakeholders, we know that there will be many unsettling moments and issues ahead. That said, the transfer of the geological survey should be – and is – an exciting moment for both organizations. Many state geological surveys have been integrated into research universities throughout the nation. Such collaborations have yielded tremendous value and growth for their states through scientific advancements and economic development, while at the same time providing students with unique opportunities for hands-on educational experiences. We see the same potential in this merger. In a recent meeting with our newly formed earth resources college, one department head noted that despite the uncertainties of the new college organization the potential was remarkable. In his opinion, very few, if any, earth colleges in the world could match the breadth and depth of our expertise. The Colorado Geological Survey adds another unique dimension to this expertise that when combined should yield great opportunities to grow our respective research reputations.

We look forward to continuously updating you and the people of Colorado on the success of the Colorado Geological Survey and Colorado School of Mines

Sincerely,



Peter S. Han  
Chief of Staff, President's Office