



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Carlee Brown
Interstate, Federal and Water Information Section Chief

DATE: May 18, 2017

AGENDA ITEM: Financial Matters: Species Conservation Trust Fund Update

Introduction

Staff wishes to inform the Board of the outcome of the Species Conservation Trust Fund bill (SB17-202). The bill successfully passed through the Legislature on May 2, 2017 and included higher-than-anticipated funding levels for the projects recommended by the Board in January. An infusion of \$4 million in additional funding through a separate bill (SB17-259) allowed staff to expand upon the request originally brought to the Board, as detailed below.

This item is for information only. No action is necessary.

Background

2017 SCTF Bill

The native Species Conservation Trust Fund (SCTF) was created in 1998, pursuant to HB98-1006 (codified at section 24-33-111, C.R.S. (2014)). On an annual basis, the Executive Director of the Department of Natural Resources (DNR) issues recommendations to the General Assembly for projects and programs dedicated to recovering protected species and conserving habitat. DNR typically dedicates half of the funding to studies and programs sponsored by CWCB and the other half to Colorado Parks and Wildlife (CPW).

Initially, \$1.5 million was projected for the SCTF balance in FY17-18. This is far below the typical allocation of approximately \$5 million per year. Moreover, severance tax revenues for FY16-17 were so poor that midway through 2016, DNR decided to restrict spending on that year's projects to 50% of the approved funding. In light of these significant financial setbacks, the Legislature offered SB17-259 to transfer \$4,090,909 from the general fund to the SCTF. The bill was introduced on March 27 and was signed by the Governor on May 3. The legislation also included funding for the forest restoration and wildfire risk management grant program and the aquatic nuisance species fund.

This infusion of funds allowed DNR to adjust its recommendations to the General Assembly based on the initial projects approved by the Board and the CPW Commission. The chart below compares the initial Board recommendation and the approved amount.



Project	Initial Request	Approved Amount
<i>Colorado Water Conservation Board</i>		
Platte River Recovery Implementation Program	\$600,000	\$875,000
Non-native fish control / Upper Colorado River Recovery Program	\$150,000	\$950,000
Selenium Management Program / Selenium research, monitoring, evaluation & control	\$0	\$100,000
<i>Colorado Parks and Wildlife</i>		
Native terrestrial wildlife conservation	\$375,000	\$732,850
Native aquatic wildlife conservation	\$375,000	\$1,192,150

Additional detail on the CWCB projects identified above:

- The **Platte River Recovery Program** funding will help Colorado meet its obligations for the first increment of the Program, which extends through 2019.
- The **Upper Colorado River Recovery Program** funding will be primarily devoted to non-native fish control. Staff's recommendation to the Board in January called this project "Non-native fish control" and described potential projects associated with the Upper Colorado River Recovery Program. The name was changed in the final recommendation to the legislature to provide more specificity about the geographic and programmatic use of the funds.
- Staff did not originally recommend that the Board fund the **Selenium Management Program** due to limited resources available to the recovery programs and a desire to take stock of recent research. When the additional funding became available, staff recommended a portion be made available for the Selenium Management Program, reflecting back on the "ongoing importance" recognized in CWCB staff's January recommendations to the Board.

Backfilling Funding for 2016 Projects

The General Assembly authorized \$3 million in spending by passing the 2016 SCTF bill (H.B. 16-1458). Unfortunately, actual severance tax revenues in FY16-17 were so low that no revenue flowed through Tier 2 to programs like the SCTF. DNR decided that it would be prudent to restrict spending on the \$3 million authorized FY16-17 projects to a reduced level of \$1.5 million. DNR planned to provide that support entirely out of an existing \$3 million of unobligated funds in the SCTF fund balance.

Given the additional funding provided by SB17-259, DNR's first priority was to restore the \$1.5 million in FY16-17 restrictions. Of this restricted amount, \$600,000 was related to CWCB projects and \$900,000 was related to CPW projects. For CWCB, restrictions were lifted on \$150,000 for the Gunnison River Basin Selenium Management Program and \$450,000 for the Upper Colorado River Recovery Program.

