

FY 2026-27 Budget Briefing Summary

Natural Resources (Division of Reclamation, Mining, and Safety; Energy and Carbon Management Commission; State Board of Land Commissioners)

The Department of Natural Resources is responsible for developing, protecting, and enhancing Colorado’s natural resources for the use and enjoyment of the State’s present and future residents and visitors. The Department is comprised of the following divisions:

- The Division of Reclamation, Mining, and Safety (DRMS) regulates development and reclamation at mining sites, reclaims abandoned mine sites, and provides safety training.
- The Energy and Carbon Management Commission (ECMC) regulates the exploration, development, and conservation of Colorado's oil and natural gas resources in a manner that protects public health, safety, welfare, the environment, and wildlife resources by issuing permits, conducting inspections, pursuing enforcement actions, and engaging in public outreach efforts.
- The State Board of Land Commissioners (State Land Board or Land Board or SLB) manages agricultural, commercial, mineral, and other leases on state-owned lands to generate reasonable and consistent revenue for public schools and other trust beneficiaries over time.

Summary of Request

Department of Natural Resources (Div. of Reclamation, Mining, and Safety, Energy and Carbon Management Commission, State Board of Land Commissioners)

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 (Long Bill)	\$49,309,203	\$0	\$45,198,749	\$225,000	\$3,885,454	319.2
Other legislation	394,946	0	394,946	0	0	1.6
Total	\$49,704,149	\$0	\$45,593,695	\$225,000	\$3,885,454	320.8
FY 2026-27 Requested Appropriation						
FY 2025-26 Appropriation	\$49,704,149	\$0	\$45,593,695	\$225,000	\$3,885,454	320.8
R4 SLB enhance lease compliance	524,680	0	524,680	0	0	3.7
R5 Enhance tribal consultation	114,362	0	114,362	0	0	0.9
R6 Mine safety support	130,262	0	130,262	0	0	0.9
Operating common policies	254,934	0	167,765	0	87,169	0.0
Prior year actions	539,123	0	465,277	0	73,846	-0.5
Total	\$51,267,510	\$0	\$46,996,041	\$225,000	\$4,046,469	325.8
Increase/-Decrease	\$1,563,361	\$0	\$1,402,346	\$0	\$161,015	5.0
Percentage Change	3.1%	n/a	3.1%	0.0%	4.1%	1.6%

R4 SLB enhance lease compliance: The Department is asking for increased funding to improve its lease compliance capability in both the oil and gas and renewable energy industries.

Year 1: The total cost is \$633,648. All of these funds would come from the SLB Trust Administration Fund and would support 3.7 FTE.

R5 Enhance tribal consultation: The Department is asking for increased funding to establish a Cultural Resources Tribal Coordinator position to better address the discovery and management of culturally sensitive artifacts and sites.

Year 1: The total cost is \$138,339. All of these funds would come from the SLB Trust Administration Fund and would support 0.9 FTE. The Department has indicated that this request is ineligible for an evidence designation.

R6 Mine safety support: The Department is asking for increased funding to hire a Mine Safety Trainer to increase mine safety and mine rescue training capacity.

Year 1: The total cost is \$157,456. All of these funds would come from the Severance Tax Operational Fund and would support 0.9 FTE. The Department has indicated that this request is insufficient for an evidence designation.

Operating common policies: The request includes a net increase of \$254,934 for a statewide indirect cost adjustment.

Prior year actions: The request includes a net increase of \$539,123 for the impact of prior year budget decisions and legislation.

Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 25-26 Salary survey	\$785,929	\$0	\$712,083	\$0	\$73,846	0.0
FY 25-26 Step Plan	52,065	0	52,065	0	0	0.0
FY26 R5 implement IT product owners	5,360	0	5,360	0	0	0.1
HB 25-1332 State trust lands	-290,997	0	-290,997	0	0	-0.6
FY26 R9 SLB working lands intern prog	-13,234	0	-13,234	0	0	0.0
Total	\$539,123	\$0	\$465,277	\$0	\$73,846	-0.5

Issues Presented

Budget Reduction Options

The Executive Budget Request includes no General Fund reductions for the Department of Natural Resources, Divisions of Reclamation, Mining, and Safety; Energy and Carbon Management Commission; and the State Board of Land Commissioners. These divisions receive no General Fund, so there are no opportunities to reduce General Fund appropriations.

The Executive Budget Request does include a revenue enhancement estimated to make \$8.3 million General Fund available in FY 2025-26 and \$5.0 million General Fund available in FY 2026-27. This consists of transfers from the Perpetual Base Fund and the Severance Tax Operational Fund.

Also included in this issue brief is an additional staff option of transferring \$5.0 million from the Energy and Carbon Management Cash Fund to the General Fund.

Statewide R-04 Severance Tax Transfers

This issue brief gives an overview of the statewide request to transfer severance tax revenue to the General Fund for balancing purposes. The Executive Budget Request includes transfers of severance tax revenue from both the Department of Local Affairs and the Department of Natural Resources in FY 2025-26 and FY 2026-27. The total amount transferred from DNR is \$13,305,992.

Informational Issue: State Land Board Update

This issue brief provides an overview of the State Land Board and a brief history of revenue and appropriations to provide context when the Committee is considering SLB funding increase requests.

FY 2025-26 Executive Order Budget Adjustments

Executive Order D 2025 014 identifies transfers from the Perpetual Base Fund and Severance Tax Operational Fund in FY 2025-26.

For More Information

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To read the entire briefing: Go to leg.colorado.gov/content/budget/budget-documents to use the budget document search tool. Select this department's name under Department/Topic, "Briefing" under Type, and select a Start date and End date to show documents released in November and December of 2025.