

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF THE GROUNDWATER COMPACT COMPLIANCE AND SUSTAINABILITY FUND.

Prime Sponsors: Sens. Simpson and Sonnenberg
Reps. Roberts and Catlin

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Appropriation Items of Note

Appropriation Required, Amendment in Packet

New Continuously Appropriated Cash Fund Subaccount

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 01/14/22.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
XXX	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The House Agriculture, Livestock, & Water Committee Report (04/21/22) includes amendments that require that the General Assembly appropriate \$60.0 million from the Economic Recovery and Relief Cash Fund to the Groundwater Compact Compliance and Sustainability Fund administered by the Department of Natural Resources in FY 2022-23. The amendments also provide the Department with the authority to spend the \$60.0 million in future years without further appropriation, subject to the requirements under the American Rescue Plan Act of 2021.

The amendments also stipulate that any unobligated money remaining in the Groundwater Compact Compliance and Sustainability Fund on August 15, 2024 shall be transferred to the continuously-appropriated Water Plan Implementation Account of the annually-appropriated Water Plan Implementation Cash Fund. This subaccount is created in these same amendments.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$120.0 million to the Department of Natural Resources for FY 2022-23, including \$60.0 million cash funds from the Economic Recovery and Relief Cash Fund, which originated as federal funds, to the Groundwater Compact Compliance and Sustainability Fund, and \$60.0 million reappropriated funds from the Groundwater Compact Compliance and Sustainability Fund.

Points to Consider

Legislative Appropriation Authority

Continuous spending authority, also known as **continuous appropriations**, allows departments to spend money for statutorily specified purposes up to the amount of money in the fund without seeking annual legislative approval. An annual appropriation provides a limit on spending authority, while a continuous appropriation provides unlimited spending authority.

This method of funding moves these expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process. Is it necessary for the Department of Natural Resources to **not** seek annual authority from the General Assembly to spend money from the Water Plan Implementation Account within the Water Plan Implementation Cash Fund?