

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE FUNDING OF COLORADO WATER CONSERVATION BOARD PROJECTS, AND, IN CONNECTION THEREWITH, MAKING APPROPRIATIONS.

Prime Sponsors: Senator Sonnenberg
Reps. Vigil and Coram

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/11/16.

XXX	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>
	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, & Natural Resources Committee Report (05/02/16) includes an amendment to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendment does not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None.	

Current Appropriations Clauses in Bill

The bill includes appropriations clauses that provide a total of \$7,905,000 cash funds from the Colorado Water Conservation Board (CWCB) Construction Fund to the Department of Natural Resources for specific water-related projects starting in FY 2016-17. The bill also authorizes \$11,300,000 in transfers as follows:

- \$5,200,000 from the Perpetual Base Fund to the CWCB Construction Fund to support appropriations made in other sections of the bill;
- \$5,000,000 from the Perpetual Base Fund to the CWCB Construction Fund to secure funding in advance of anticipated expenditures in FY 2017-18 for the implementation of the Colorado State Water Plan; and
- \$1,100,000 from the CWCB Construction Fund to replenish the Litigation Fund and the Flood and Drought Response Fund, both of which are continuously appropriated.

Points to Consider*Technical Issues*

The appropriations clauses in the current bill do not include a specific end date, but allow the Department of Natural Resources to access appropriated cash funds for the designated purpose until funds are fully expended. This is consistent with appropriations clauses in prior-year CWCB Projects Bills. Pursuant to Section 37-60-121, C.R.S., the CWCB has the authority, but not an obligation, to deauthorize any remaining funds upon completion of a project or when a project is no longer feasible. The Department has indicated that the CWCB's internal financial policy is to revisit grants and loans every three years to evaluate whether they should continue at the same level or be deauthorized, either in full or in part, and reverted to the appropriation or the CWCB Construction Fund.

Timing Issues

The bill authorizes a \$5.0 million transfer from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund in FY 2016-17 for anticipated expenditures associated with the implementation of the Colorado State Water Plan. Unlike transfers made in other sections of the bill, however, there is not an appropriations clause in the bill that corresponds with this transfer for FY 2016-17. As a result, the Department of Natural Resources does not have spending authority to access these funds in the upcoming fiscal year, but anticipates expenditures will occur in FY 2017-18 after the studies, projects, and programs to be supported by the funding are more clearly defined. Appropriations clauses will be included in the 2017 CWCB Projects Bill to be introduced during the next legislative session.