

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

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

Prime Sponsors: Representative Arndt
Senator Sonnenberg

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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 03/17/2017.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	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 Fiscal Note underreports the appropriation from the Colorado Water Conservation Board (CWCB) Construction Fund for the implementation of the Colorado Water Plan. The bill appropriates a total of \$10.0 million cash funds from the CWCB Construction Fund for the implementation of the Colorado Water Plan in FY 2017-18 (versus \$5.0 million as indicated in the Fiscal Note). Legislative Council Staff and the JBC Analyst agree on the updated fiscal impact.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None.	

Current Appropriations Clause in Bill

The bill includes appropriation clauses that provide a total of \$29,809,000 cash funds from the CWCB Construction Fund to the Department of Natural Resources for specific water-related projects in FY 2017-18. The bill also includes an appropriation clause that provides \$260,000 cash funds from the Public and Private Utilities Sector Fund to the Department of Public Health and Environment for updating regulations concerning nonpotable water reuse and graywater usage. The bill authorizes the CWCB to make loans of up to \$90.0 million from the CWCB Construction Fund for the Windy Gap firming project. Additionally, the bill authorizes \$63,860,000 in transfers as follows:

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- \$30,000,000 from the Severance Tax Perpetual Base Fund to the Loan Guarantee Fund for repayment of loans made for water projects;
- \$20,000,000 from the Severance Perpetual Base Fund to the CWCB Construction Fund to support appropriations made in other sections of the bill;
- \$10,000,000 from the Severance Tax Perpetual Base Fund to the Water Supply Reserve Fund to support water basin roundtable approved projects;
- \$1,500,000 from the CWCB Construction Fund to replenish the continuously-appropriated Fish and Wildlife Resources Fund;
- \$1,300,000 from the CWCB Construction Fund to replenish the continuously-appropriated Litigation Fund;
- \$500,000 from the CWCB Construction Fund to replenish the continuously-appropriated Flood and Drought Response Fund;
- \$300,000 from the CWCB Construction Fund to replenish the continuously-appropriated Feasibility Study Small Grant Fund; and
- \$260,000 from the CWCB Construction Fund to the Public and Private Utilities Sector Fund to support appropriations made in other sections of the bill.

Points to Consider

Technical Issues

The appropriation 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 appropriation 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.