

*Colorado Legislative Council Staff Fiscal Note*  
**STATE and LOCAL**  
**REVISED FISCAL IMPACT**  
(replaces fiscal note dated January 21, 2009)

**Drafting Number:** LLS 09-0481  
**Prime Sponsor(s):** Rep. Pace  
 Sen. Hodge

**Date:** April 17, 2009  
**Bill Status:** Senate Agriculture  
**Fiscal Analyst:** Clare Pramuk (303-866-2677)

**TITLE:** CONCERNING THE WATER EFFICIENCY GRANT PROGRAM CASH FUND, AND, IN CONNECTION THEREWITH, GIVING THE COLORADO WATER CONSERVATION BOARD CONTINUOUS AUTHORITY TO SPEND MONEYS TRANSFERRED TO THE WATER EFFICIENCY GRANT PROGRAM CASH FUND FROM THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010	FY 2010-2011
<b>State Revenue</b>			
<b>State Expenditures</b>			
Cash Funds			
Water Efficiency Grant Program Cash Fund*	\$2,121,115		
<b>FTE Position Change</b>			
<b>Effective Date:</b> Upon signature of the governor or upon becoming law without his signature.			
<b>Appropriation Summary for FY 2009-2010:</b> None required.			
<b>Local Government Impact:</b> See Local Government Impact section of fiscal note.			

\* *Moneys in the fund for FY 2008-09 reflect moneys appropriated to the fund beginning with FY 2005-06 through the current fiscal year. Current law does not allow unencumbered moneys in the fund to carry forward.*

**Summary of Legislation**

The reengrossed bill makes technical changes that clarify the authority of the Colorado Water Conservation Board in the Department of Natural Resources to operate the Water Efficiency Grant Program. The bill specifies that moneys in the Water Efficiency Grant Program Cash Fund are to be continuously appropriated to the board for the grant program. Moneys are available until the projects financed are completed or until June 30, 2012, whichever comes first.

**Background**

The Water Efficiency Grant Program began in FY 2005-06 and was authorized for 3 years to provide grants to implement water conservation plans. SB07-008 expanded the program to include water conservation planning and extended the repeal date to July 1, 2012. This new program, like many others, required a ramp up to fully fund grant applications. Initially, the total value of grants requested and awarded was less than moneys appropriated, and the board did not spend all of the moneys it was appropriated in FY 2005-06 through FY 2007-08.

The State Controller notified the board that current statute does not allow unencumbered funds to carry forward. Therefore, the current year appropriation of \$600,029 is being used to meet outstanding grant obligations. As a result, the fund has a balance of \$2,121,115 but the board does not have the authority to spend those funds. This bill enables the board to fund larger, multi-year projects and access funds that were appropriated, but not spent in prior years.

### **State Expenditures**

For FY 2008-09, the bill does not increase moneys transferred or appropriated to the Water Efficiency Grant Program Cash Fund, rather it continuously appropriates the balance in the cash fund — \$2,121,115. This amount reflects moneys appropriated but not encumbered or spent since the program's inception plus interest earned on the balance.

### **Local Government Impact**

Those entities seeking to fund multi-year projects can now receive grants.

### **Departments Contacted**

Natural Resources

Personnel and Administration