

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 14-0924 **Date:** April 7, 2014
Prime Sponsor(s): Sen. Nicholson; Renfroe **Bill Status:** Senate Local Government
 Rep. Foote; Sonnenberg **Fiscal Analyst:** Clare Pramuk (303-866-2677)

SHORT TITLE: FLOOD DEBRIS CLEANUP GRANTS

| Fiscal Impact Summary* | FY 2013-2014 (Current year) | FY 2014-2015 | FY 2015-2016 |
|--|---|--------------------|--------------|
| State Revenue | \$0 | | |
| <i>Revenue Change</i> | | | |
| Cash Funds | Possible increase. | Possible increase. | |
| <i>State Transfers</i> | | | |
| General Fund | (\$5,000,000) | | |
| Cash Funds ** | 5,000,000 | (\$3,750,000) | |
| State Expenditures | Minimal workload increase. See State Expenditures section. | | |
| FTE Position Change | | | |
| Appropriation Required: None. Continuously appropriated to Department of Natural Resources. | | | |

* This summary shows changes from current law under the bill for each fiscal year. Transfers and diversions result in no net change to state revenue. Parentheses indicate a decrease in funds.

** Under current law, a decrease in General Fund revenue in FY 2013-14 will reduce the amount transferred to the State Education Fund In FY 2014-15.

Summary of Legislation

This bill, recommended by the **Flood Disaster Study Committee**, creates the Flood Debris Cleanup Grant Account (flood debris account) in the Flood and Drought Response Fund (response fund) and transfers \$5.0 million from the General Fund to the flood debris account. The Colorado Water Conservation Board (CWCB) in the Department of Natural Resources (DNR) has continuous spending authority for grant-making purposes to help pay the costs of watershed cleanup in areas affected by the September 2013 flood. The bill does not specify who is eligible for grant funding and requires the CWCB to adopt criteria and procedures for awarding grants. The CWCB is authorized to seek gifts, grants, and donations to increase the availability of grant funds. The flood debris account is repealed July 1, 2015.

State Revenue

This bill may increase state revenue to the flood debris account from gifts, grants, and donations, but no source of additional funding has been identified.

State transfers. This bill transfers \$5.0 million from the General Fund to the flood debris account in the response fund when the bill becomes effective, assumed to be in FY 2013-14. Under current law, 75 percent of the General Fund surplus in FY 2013-14 is transferred to the State Education Fund in FY 2014-15, so transferring \$5.0 million out of the General Fund in FY 2013-14 will reduce this State Education Fund transfer by \$3.75 million in FY 2014-15.

State Expenditures

The bill is expected to increase expenditures by **\$5.0 million in FY 2014-15** for grants from the flood debris account. It is also expected to increase workload for the DNR to develop and administer the grant program.

The CWCB in the DNR is expected to have an increase in workload to develop the criteria for the grant program, review applications, make awards, manage the Flood Debris Account, and monitor project compliance with grant requirements. Because the grant funds are only available until June 30, 2015, the CWCB and its staff will have limited time to implement the program and make awards. The workload increase for the CWCB will depend on the criteria it adopts for the grant program and the number and size of grants awarded. Because the CWCB has expertise in administering grant funds, this workload increase is not expected to require new appropriations.

Local Government Impact

This bill will increase grant awards to local governments by up to \$5.0 million in FY 2014-15 depending on whether the CWCB awards grants to individuals or other entities. The size of awards are expected to be approximately \$75,000 to \$100,000 for rural stream reaches, and \$200,000 to \$300,000 for urban stream reaches.

Technical or Mechanical Defects

The introduced bill states that any monies not expended at the end of the fiscal year remain in the flood debris account but the bill repeals that account July 1, 2015.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

The DNR has continuous spending authority for all funds in the flood debris account and no appropriation is required.

State and Local Government Contacts

Natural Resources
Counties

Municipalities
Governor's Office