

Colorado Legislative Council Staff Fiscal Note
**STATE, LOCAL and
 STATUTORY PUBLIC ENTITY
 FISCAL IMPACT**

Drafting Number: LLS 15-0312
Prime Sponsor(s): Sen. Crowder

Date: February 4, 2015
Bill Status: Senate Agriculture
Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: DRINKING WATER FUND ASSISTANCE NONPROFIT ENTITIES

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	\$166,198	\$141,059
Cash Funds	142,421	119,030
Centrally Appropriated Costs**	23,777	22,029
FTE Position Change	1.7 FTE	1.5 FTE
Appropriation Required: \$142,421 - Various Agencies (2015-16).		

* This summary shows changes from current law under the bill for each fiscal year.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

This bill allows the Colorado Water Resources and Power Development Authority (CWRPDA) to use the Drinking Water Revolving Fund to provide financial assistance to private nonprofit entities for drinking water projects. The bill also expands the definition of public water systems to include systems that are owned or operated by private, nonprofit entities.

Background

Pursuant to a memorandum of agreement, the Grants and Loans Unit in the Water Quality Control Division (WQCD) in the Department of Public Health and Environment (DPHE) co-administers the Drinking Water Revolving Fund program with the CWRPDA and the Division of Local Government (DLG) in the Department of Local Affairs. The program is federally funded and makes loans to eligible public water systems, owned by governmental agencies, to update infrastructure to bring systems into compliance with drinking water standards. The WQCD is responsible for all project development and compliance related activities. The DLG assists potential loan applicants with project development and financial planning support.

Expenditures

This bill will increase cash fund expenditures by **\$166,198 and 1.7 FTE in FY 2015-16, and \$141,059 and 1.5 FTE in FY 2016-17** and thereafter.

Department of Public Health and Environment and Department of Local Affairs. The DPHE requires **\$117,307 and 1.1 FTE in FY 2015-16, and \$113,372 and 1.1 FTE in FY 2016-17** from the Drinking Water Cash Fund. The DOLA requires **\$48,891 and 0.6 FTE in FY 2015-16, and \$27,687 and 0.4 FTE in FY 2016-17** from the Drinking Water Revolving Fund.

By expanding the eligibility for water infrastructure grants to include private, nonprofit entities, additional staff will be required by both the DPHE and DOLA. The fiscal note expects an additional 12 water projects will be funded per year for private, nonprofits. These are high priority projects under the terms of the federal partnership with smaller capital needs so are more likely to receive financing under the bill. These types of projects tend to require additional governmental support in project planning and development, assembling financing materials, and oversight of project execution increasing costs for the state agencies that provide technical support. The detail for these expenses is shown in Table 1 for each agency.

Table 1. Expenditures Under SB15-121		
Cost Components	FY 2015-16	FY 2016-17
Personal Services - DPHE	\$95,267	\$95,267
FTE	1.1	1.1
Operating Expenses and Capital Outlay Costs	5,748	1,045
Centrally Appropriated Costs*	16,292	17,060
SUBTOTAL - DPHE	\$117,307	\$113,372
Personal Services - DOLA	\$34,333	\$20,538
FTE	0.6	0.4
Operating Expenses and Capital Outlay Costs	5,273	380
Travel	1,800	1,800
Centrally Appropriated Costs*	7,485	4,969
SUBTOTAL - DOLA	\$48,891	\$27,687
TOTAL FTE	1.7	1.5
TOTAL	\$166,198	\$141,059

* Centrally appropriated costs are not included in the bill's appropriation.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under SB15-121*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$13,732	\$12,119
Supplemental Employee Retirement Payments	10,045	9,910
TOTAL	\$23,777	\$22,029

*More information is available at: <http://colorado.gov/fiscalnotes>

Local Government Impact

The total dollar amount of loans available under the Drinking Water Revolving Fund program is not changed by the bill which expands the pool of eligible projects that local governments will compete with for financing resources.

Statutory Public Entity Impact

The bill requires that the CWRPDA make program changes to accommodate loans to private nonprofit entities. The CWRPDA will provide the funding for the DPHE and DOLA to add staff to address the increased complexity of loans to private nonprofit entities.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2015-16, the Department of Public Health and Environment requires an appropriation of \$101,015 from the Drinking Water Cash Fund and 1.1 FTE. The DOLA requires \$41,406 from the Drinking Water Revolving Fund and 0.6 FTE.

State and Local Government Contacts

Colorado Water Resources and Power Development Authority
Local Affairs
Natural Resources
Public Health and Environment