

\$855,481 cash funds and 1.2 FTE to the Department of Natural Resources, Colorado Water Conservation Board.

With the exception of the FTE designations, this appropriations clause mirrors the Legislative Council Staff Revised Fiscal Note dated April 26, 2006.

Sponsor Amendments

Staff is not aware of any amendment(s) to be offered.

Points to Consider

1. The provisions of H.B. 06-1400 do not drive additional expenditures *per se*. House Bill 06-1400 provides for the approval of the interbasin compact charter. Such an approval does not cost money in and of itself. However, it is also assumed that the approval of the charter begins the next phase of the roundtable process, which phase does require expenditures. It is this assumption which is the basis for the fiscal impact in these analyses.
2. House Bill 06-1400 follows H.B. 05-1177 passed last year on roundtables. House Bill 06-1385 (the FY 2006-07 Long Bill) currently contains \$237,444 cash funds from the Operational Account of the Severance Tax Trust Fund for the Department of Natural Resources, Colorado Water Conservation Board pursuant to H.B. 05-1177. Thus the funds in H.B. 06-1400 are in addition to that sum. As such, the costs in FY 2006-07 are significantly higher than what was assumed during the 2005 session. The Department of Natural Resources indicates that such higher costs were an unknown at the time, something dependent upon the interest and effectiveness of the roundtables. It should be noted that with H.B. 06-1400, the potential out-year costs are also not known.
3. Please note, as indicated in the Legislative Council Staff Revised Fiscal Note (page 1), there is no information available on the out-year expenses related to this process. What are the expectations of the General Assembly in this regard?
4. The \$151,673 cost for the Director of Compact Negotiations in the Office of the Governor indicated in the Legislative Council Staff Revised Fiscal Note dated April 26, 2006 (page 2) assumes that this is a cabinet level position. This position is in addition to the Manager of the Office of Compact Negotiations which is currently in the Department of Natural Resources, Colorado Water Conservation Board.

5. The bill contains language in the appropriations clause which provides that the moneys appropriated shall remain available until expended. Language such as this is typically used for projects and studies. Indeed, the appropriations clause contains moneys for projects (about \$502,000); however, the appropriations clause also funds state FTE and personal services costs. Using this language for state FTE and salaries is not common.
6. Please note, if all of the bills with an impact on the Operational Account of the Severance Tax Trust Fund contemplated by the General Assembly during this 2006 Session pass in their current form, the Operational Account will be substantially overspent according to the March 2006 executive severance tax revenue forecast.