

  
 Colorado *Legislative Council Staff*  
**STATE**  
**FINAL FISCAL IMPACT**  
 (replaces fiscal impact dated April 26, 2006)

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<b>Drafting Number:</b> LLS 06-0974	<b>Date:</b> May 31, 2006
<b>Prime Sponsor(s):</b> Rep. Buescher	<b>Bill Status:</b> Signed into Law
Sen. Isgar	<b>Fiscal Analyst:</b> Marc Carey (303-866-4102)

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**TITLE:** CONCERNING INTERBASIN COMPACTS, AND, IN CONNECTION THEREWITH, APPROVING THE INTERBASIN COMPACT CHARTER AND ALTERING THE BOUNDARIES THAT DEFINE CERTAIN WESTERN SLOPE BASIN ROUNDTABLES.

Fiscal Impact Summary	FY 2006/2007	FY 2007/2008
<b>State Revenues</b>		
<b>State Expenditures</b>		
Cash Fund - Severance Tax Trust Fund*	\$931,318	\$1,260,098
<b>FTE Position Change</b>	1.7 FTE	2.2 FTE
<b>Effective Date:</b> The bill was signed by the Governor on May 26, 2006.		
<b>Appropriation Summary for FY 2006/2007:**</b>		
Department of Natural Resources, Colorado Water Conservation Board: \$855,481 and 1.2 FTE, CF.		
Office of the Governor: \$75,837 and 0.5 FTE, CF.		
<b>Local Government Impact:</b> None		

\* No information or projection has been provided for expenses in the out year. Since the roundtable process is still in its infancy, out year estimates contained in this fiscal note should be treated as a lower bound. Expenses could well be higher, depending upon how the roundtable process progresses.

\*\* The money appropriated for HB06-1400 will support the ongoing implementation of HB05-1177 pursuant to the appropriations clause.

**Summary of Legislation**

This bill approves the interbasin compact charter, pursuant to the provisions of HB05-1177. The bill requires the Revisor of Statutes to publish the full text of the charter in the Colorado Revised Statutes as non-statutory matter. The bill also moves water districts 60, 61 and 63 from the Gunnison basin roundtable to the Dolores, San Miguel, and San Juan basins roundtable.

The bill also creates the Office of Compact Negotiations within the Governor's Office, and specifies that money's from the Severance Tax Trust Fund may be used to fund the activities of the interbasin roundtables. The bill specifies that moneys appropriated for such purposes do not count against the required two-year statutory reserve for the fund. Finally, the bill makes an appropriation of up to \$931,318 and 1.7 FTE for the on-going implementation of HB05-1177.

## **State Expenditures**

***Governor's Office.*** The Office of the Governor will incur personal expenses of \$75,837 and 0.5 FTE in FY 2006-07. HB05-1177 created the position of a Director of Compact Negotiations. The Department has requested salary and benefits of \$151,673, commensurate with a cabinet level appointment, and that the position be located in the Office of the Governor. Since HB05-1177 was enacted, the Executive Director of the Department of Natural Resources, has served as Director of Compact Negotiations without compensation. He will continue to do so through the conclusion of the Owens administration. This fiscal note assumes that as of January 1, 2007, separate people will fill these two positions and funding for this position for the second half of FY 2006-07 will be required.

***Department of Natural Resources, Colorado Water Conservation Board.*** The board will incur additional expenses in the amount of \$855,481 and 1.2 FTE in FY 2006-07 and \$1,108,425 and 1.2 FTE in FY 2007-08 associated with the ongoing implementation of HB05-1177. Table 1 summarizes these expenses, based on the assumptions that:

- the current manager of the Office of Compact Negotiations be retained at his current salary;
- an Administrative Assistant III (0.7 FTE) be hired to assist the office;
- facility rental and snacks will cost \$544 per roundtable meeting and \$2,000 per Interbasin Compact Committee (IBCC) meeting;
- 10 roundtable meetings, on average, will take place annually in each of the 9 basins;
- on average, 2 staff will attend each roundtable meeting and 1 staff will attend each IBCC meeting;
- office staff be reimbursed for roundtable meeting attendance at \$270 per meeting;
- total roundtable membership is approximately 300;
- round table members are eligible for expense reimbursement to attend meetings, but only half will submit expenses;
- facilitators be retained at their current rates for roundtable and IBCC meetings;
- consultants will be retained for 200 hours per basin at \$100/hr. for compilation and analysis of existing water use data;
- consultants will be retained for 500 hours per basin at \$100/hr. for additional research and generation of water use data;
- \$4,000 will be required for each roundtable and for the IBCC for the creation and dissemination of roundtable/IBCC information packets and educational presentations; and
- \$50,000 will be available for the IBCC and the roundtables to support public education, participation, and outreach efforts.

<b>Table 1: Additional Expenses for the Colorado Water Conservation Board for Implementation of HB05-1177</b>		
	<b>FY 2006/07</b>	<b>FY 2007/08</b>
Personal Services*		
2.2 FTE	\$140,557	\$258,627
Roundtable Meetings		
Meetings (facility rental, snacks)	\$49,000	\$49,900
Staff Travel*	35,320	48,600
Member Travel	21,000	21,000
Facilitation*	15,091	47,091
Subtotal	\$120,411	\$165,691
IBCC Meetings		
Meetings (facility rental, snacks)	20,000	20,000
Staff Travel*	2,970	5,400
Member Travel	40,500	40,500
Facilitation*	17,880	49,880
Subtotal	\$81,350	\$115,780
Water Assessment Refinement		
Compilation/Analysis of Existing Data*	\$52,000	\$180,000
Research and Data Generation	450,000	450,000
Subtotal	\$502,000	\$630,000
Public Education and Outreach		
Roundtable/IBCC Education	\$40,000	\$40,000
Public Education, Outreach*	47,000	50,000
Subtotal	\$87,000	\$90,000
<b>Total Expenses</b>	<b>\$931,318</b>	<b>\$1,260,098</b>

\* A portion of these costs have already been covered through the \$237,444 contained in this years Long Bill.

### State Appropriations

In FY 2006-07:

- the Department of Natural Resources will require a cash fund appropriation of \$855,481 and 1.2 FTE from the Severance Tax Trust Fund; and
- the Office of the Governor will require a cash fund appropriation of \$75,837 and 0.5 FTE from the Severance Tax Trust Fund.

### Departments Contacted

Natural Resources