



TO: Colorado Water conservation Board Members
FROM: Lauren Ris, Deputy Director
DATE: November 20-21, 2019 Board Committee Meeting
AGENDA ITEM: 12c. Non-Reimbursable Project Investment
 Water Plan Implementation Funding

Introduction

This agenda item will review the CWCB’s continuation of funding efforts for the Colorado’s Water Plan Implementation and its inclusion in the 2020 CWCB Projects Bill.

At the May 2016 Board Meeting, staff indicated that the CWCB had received revenue above the agency’s average annual amount. At that time, the Board approved a \$75 million contribution towards the Colorado Water Plan Implementation effort over a 3 to 5-year period. We are proposing \$12.25M in Water Plan Implementation Funding this year (Year 4). In FY17/18, FY18/19 and FY19/20, the Board received legislative approval for \$25M, \$11M, and \$20M respectively as summarized in the table below. With this year’s recommendations, the Construction Fund contribution will be approximately \$70M.

The Colorado voters passed Proposition DD on November 5, 2019 to legalize sports betting and create a 10% tax on house proceeds. The majority of revenue generated (approximately 93%) will be transferred to the Water Plan Implementation Cash Fund (CRS 37-160-123.3), created through the proposition, to provide funding to the Water Plan Grant Program and compact compliance efforts.

Through the Projects Bill, the recommended amounts below will be transferred from the Construction Fund to the Water Plan Implementation Cash Fund and distributed to the appropriate grant category.

Table 1. Water Plan Implementation Funding Summary (Past and Proposed)

	FY17/18 HB17-1248	FY18/19 SB18-218	FY19/20 SB19-221	Proposed FY20/21 HB20-xxxx
WSRF Supplemental Funding	\$10M	\$2M	\$2.5M	-
Watershed & Stream Restoration Program	\$5M	\$2M	\$4M	\$4M
Environment & Recreation WPGGrants	\$1M	\$1.5M	\$1.5M	\$1.5M ⁽¹⁾
Agricultural Transfer Methods (ATM) Grants	\$1M	-	\$1M	\$0.75M
Agricultural Projects WPGGrants	\$1M	\$1M	\$1M	\$1.5M ⁽¹⁾
Storage & Supply Gap WPGGrants	\$5M	\$3M	\$3M	\$3M ⁽¹⁾
Conservation & Drought Planning WPGGrants	\$1M	\$1M	\$1M	\$1M ⁽¹⁾
Innovation/Outreach/Education WPGGrants	\$1M	\$0.5M	\$0.5M	\$0.5M ⁽¹⁾
Water Plan Updating Efforts	\$1M		\$5.5M	
Totals	\$25M	\$11M	\$20M	\$12.25M

(1) Money will be transferred from the Construction Fund to the Water Plan Implementation Cash Fund.



Proposition DD authorizes the state to collect up to \$29 million per year in sports betting tax revenue. Based on information from other states' sports betting markets, about \$16 million in tax revenue, on average, is expected to be collected annually over the first five years. Of that, the Water Plan Implementation Cash Fund would receive \$15 million. Staff will continue to evaluate potential implications of Proposition DD to the Projects Bill and provide any recommendations to the Board at the January 2020 Board meeting.

Staff Recommendation

Staff recommends the Board approve the \$12.25 million Water Plan Implementation funding plan for inclusion in the 2020 Projects Bill.