

State Funding: Water Projects and Programs

Colorado River Water Conservation District Policy Statements:

The Colorado River Water Conservation District (River District) believes the State of Colorado has an important role and responsibility in water planning, protection and development. This role and responsibility includes financial assistance, including grants and loans, to project proponents.

The River District advocates that Colorado establish reliable and sustainable revenue resources to achieve the above goals. The State of Colorado must protect revenues dedicated for water projects and programs for their statutorily intended uses (i.e., no more transfers to the General Fund) and develop dedicated revenue sources that provide consistent and predictable annual appropriations.

Additionally, the River District believes all state water-related projects and programs should be evaluated, prioritized and funded on a common and consistent basis (i.e., eliminate the current, uncertain and erratic Tier II funding category).

Background & Discussion:

As of 2017, severance tax and federal mineral leasing (FML) revenues are the predominant source of funding for water projects and programs supported and administered by the Colorado Water Conservation Board (CWCB). Historically, all or a portion of these funds have been subject to transfer to the state's General Fund for non-water related expenditure.

Annual severance tax and FML revenues are largely determined by world energy prices, which fluctuate dramatically year-to-year and are extremely difficult to forecast reliably. These fluctuations and lack of dependable forecasts leads to unreliable budgeting and challenging fiscal management. State assistance to water projects and programs is too important to remain reliant on such unpredictable revenue sources.

Additionally, the state currently relegates certain, vital water programs into an unreliable "Tier II" funding category. Currently, water programs dependent on Tier II funding include the Native Species Conservation Trust Fund, Aquatic Nuisance Species (ANS) prevention and inspections, Forest Restoration and Wildfire risk mitigation grant program, and the Water Supply Reserve Account (WRSR) that supports basin roundtables' activities and individual basin's priority projects and programs. These programs are too important to Colorado to be designated as Tier II funding subject to appropriations only after other water-related programs have been fully funded. Budgeting decisions on these programs should be on an equal footing as other vital water programs of the state.