



SB23-238

SHORT TITLE: Small Communities Water and Wastewater Grant Fund

LONG TITLE: Concerning authorization to use money in the small communities water and wastewater grant fund to provide the state funds for water projects for which a state match is required to qualify for federal funds for the projects

SPONSORS: Senators Zenzinger and Kirkmeyer/Reps. Sirota and Bockenfeld

COMMITTEES: Senate Appropriations Committee and House Appropriations Committee

PURPOSE OF THE BILL: To authorize the use of money in the Small Communities Water and Wastewater Grant Fund as 10% state matching money for federal funding of projects.

PROPOSERS OF THE BILL: JBC

POTENTIAL STAKEHOLDERS: Water providers and users, Dept. of Natural Resources

BACKGROUND: Federal money is available in the federal Infrastructure bill for pollution control and drinking water projects. State matching funds are required to obtain these grants but cannot be sourced from other federal money. Money in the Small Communities fund comes from the Severance Tax Perpetual Base Fund not to exceed \$10 million per year, and is thereby an eligible source to use as match money.

Is this bill necessary this year? This aids in implementation of provisions in the Long Bill

How does the bill change current law? The Small Communities Water and Wastewater Grant Fund has been limited to expending funds only for grants. This bill authorizes the Colorado Dept. of Public Health and Environment to draw upon those funds which are continuously appropriated to the Dept to be used for the required 10% match to obtain federal funding.

Does the bill affect the prior appropriations system? No

How is the bill implemented? This is estimated to require \$6 million to secure \$60 million in federal funds. The fiscal note shows expenditures taking place in FY 2023-24; the timing of actual expenditures will depend on the availability of federal funds and on implementation decisions by CDPHE.

Practical considerations: Funding will depend upon the availability and timing of federal money and the success of the grant application (if grants are competitive)

Fiscal Impact: The money is continuously appropriated to CDPHE.