



## UITF Partial Replenishment Secured

*Colorado-Nebraska South Platte Water Dispute gets National Attention*

### **\$600M Replenishment of the Unemployment Insurance Trust Fund Secured**

The state budget proposal was finalized this week with the release of the March Economic Forecast. The Joint Budget Committee and legislative leaders will offer \$600 Million in funds from the federal ARPA dollars to replenish a portion of the depleted unemployment insurance trust fund. As noted in the final report on the Economic Recovery & Relief Cash Fund Task Force, an infusion of \$600 million to the UITF will lower UI premium tax rates for 4 out of the next 5 years. Based on different growth forecasts, there are scenarios where the total benefit to employers could exceed \$600 million by 2027. The Colorado Department of Labor and Employment's hypothetical scenario of a 10-employee firm showed that, with a \$600 million infusion to the UITF, the firm would save a total of \$1,896 from 2022-2026, assuming all 10 employees make at least \$30,600 annually or a payroll of at least \$306,000. NCLA is pleased the \$600 M pledge will be a reality, but we note the UITF fund balance peaked at \$1.2 billion in March of 2020, and the subsequent depletion of the fund and federal loans due to pandemic unemployment demand left the UITF in \$2 Billion hole. Replenishment of the UITF has been a high priority for the NCLA and we will continue our pursuit of additional relief in the coming year.

### **The South Platte Water Fight with Nebraska Getting National Attention**

The fight between Nebraska and Colorado over water is getting national attention with [a Wall Street Journal article this week](#). The state of Nebraska continues to lay the groundwork toward building a canal that would divert our water under the 99-year-old compact. Nebraska lawmakers gave initial approval to a bill that would allow Nebraska's Department of Natural Resources to move forward for an estimated \$500 million canal. In January, Nebraska Governor Pete Ricketts announced the plan to invoke Nebraska's right to build the canal under the South Platte River Compact, a legally binding water-sharing agreement approved by both states and Congress in 1923. Colorado has always fulfilled its obligation to provide at least 120 cubic feet per second of water during the summer irrigation season, but it has no such duty during the non-irrigation season. The compact lets Nebraska claim 500 cubic feet from northeastern Colorado during that time, but only through a canal. The compact includes several provisions that lets Colorado set aside water for its own use before it arrives at the canal.

**SB 126** - Prioritize Water Storage Projects South Platte Basin was introduced by Senators Jerry Sonnenberg (R - Sterling), Kerry Donovan (D-Wolcott), and Representative Holtorf (R-Akron) in response to Nebraska's attempt to divert Colorado's water. The measure has passed through the Senate and will be heard on Monday in the House Agriculture Committee. The bipartisan bill will prioritize projects that increase the consumptive use of Colorado's undeveloped compact-entitled waters. The bill also directs the Water Conservation Board to prioritize projects that increase or improve water storage in the South Platte river basin. With support across the state, this measure is expected to move to the Governor's desk for signing.

### **Marijuana Bill Undermining Employer Rights Killed**

**HB22-1152 Prohibit Employer Adverse Action Marijuana Use**, opposed by the NCLA, would have prohibited employers from taking adverse actions against employees for marijuana use died in a House committee this week after significant backlash from Colorado businesses. A similar measure failed to pass the legislature in 2020. In addition to safety issues, the bill raised constitutional concerns. The retail sale and consumption of recreational marijuana was legalized in Colorado in 2012 with Constitutional Amendment 64. A Task Force which was established to implement the amendment specifically clarified that employers have the right to determine their own policies on company marijuana use, including the ability to terminate an employee who may test positive for recreational or medical marijuana use. Our thanks to NCLA Board Members David Burks and Ben Aste for testifying in opposition to the measure to share your concerns about this bill with the Committee members.

**NCLA Tracking Report**

On a bi-weekly basis, the NCLA Board reviews and considers its position on pending legislation. See the [NCLA 2022 Legislative Tracking Report](#) list the measures thus far introduced that the NCLA is monitoring and upon which the NCLA will or has taken a position.