

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2021-22

DEPARTMENT OF LOCAL AFFAIRS

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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DEPARTMENT OF LOCAL AFFAIRS

DEPARTMENT OVERVIEW

The Department of Local Affairs (DOLA) is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. The Department's budget is comprised of four sections:

- The *Executive Director's Office (EDO)* provides leadership and support, including strategic planning, policy management, accounting, budgeting, purchasing, human resources administration, and public information. Additionally, the State Demographer's Office is housed within the EDO.
- The *Division of Property Taxation* operates under the leadership of the *Property Tax Administrator*, who is appointed by the *State Board of Equalization*. This division: (1) coordinates and administers the implementation of property tax law throughout the state, including issuing appraisal standards and training county assessors; (2) grants exemptions from taxation for eligible entities; and (3) values multi-county companies doing business in Colorado, including railroads, pipelines, and other public utilities. The *Board of Assessment Appeals* is a quasi-judicial body that hears individual taxpayer appeals concerning the valuation of real and personal property, property tax abatements, and property tax exemptions.
- The *Division of Housing* administers state and federal affordable housing programs, including: (1) providing funding to private housing developers, housing authorities, and local governments to increase the inventory of affordable housing; and (2) offering rental assistance statewide through local housing authorities and not for profit service organization. This division also regulates the manufacture of factory-built residential and commercial buildings, and approves multi-family construction in counties with no construction codes.
- The *Division of Local Government* provides technical assistance and information to local government officials. This division also makes state and federal financial resources available to support community infrastructure and services through various statutory formula distributions and grant programs.

SUMMARY: FY 2021-22 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF LOCAL AFFAIRS: RECOMMENDED CHANGES FOR FY 2021-22						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
SB 21-205 (Long Bill)	\$312,059,733	\$43,494,080	\$171,022,406	\$15,384,956	\$82,158,291	201.5
Other legislation	159,536,274	13,636,274	144,900,000	1,000,000	0	4.0
CURRENT FY 2021-22 APPROPRIATION:	\$471,596,007	\$57,130,354	\$315,922,406	\$16,384,956	\$82,158,291	205.5
RECOMMENDED CHANGES						
Current FY 2021-22 Appropriation	\$471,596,007	57,130,354	\$315,922,406	\$16,384,956	\$82,158,291	205.5
S1 Interconnectivity Grant Program Fund roll-forward	0	0	0	0	0	0.0
Annual fleet supplemental true-up*	(13,829)	(12,422)	0	(1,407)	0	0.0
RECOMMENDED FY 2021-22 APPROPRIATION:	\$471,582,178	\$57,117,932	\$315,922,406	\$16,383,549	\$82,158,291	205.5
RECOMMENDED INCREASE/(DECREASE)	(\$13,829)	(\$12,422)	\$0	(\$1,407)	\$0	0.0
Percentage Change	(0.0%)	(0.0%)	0.0%	(0.0%)	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	\$471,582,178	\$57,117,932	\$315,922,406	\$16,383,549	\$82,158,291	205.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*Represents the requested appropriation change and not staff recommendation. This request item will be addressed in a future staff supplemental recommendation for the Department of Personnel.

REQUEST/RECOMMENDATION DESCRIPTIONS

S1 INTERCONNECTIVITY GRANT PROGRAM FUND ROLL-FORWARD: The Department requests that one year of roll-forward authority be added to the \$5.0 million appropriation provided by H.B. 21-1289 (Funding for Broadband Deployment). This would allow the Department and grant recipients to expend funds awarded under the Interconnectivity Grant Program through FY 2022-23.

ANNUAL FLEET SUPPLEMENTAL TRUE-UP: The request includes a decrease of \$13,829 total funds, including \$12,422 General Fund, for an adjustment to the Department's share of expenses related to leasing fleet vehicles through the Department of Personnel. Staff's recommendation is pending. This request item will be addressed in a separate staff supplemental presentation for the Department of Personnel on January 19th. Staff will incorporate the Committee's action on January 19th into the supplemental bill for the Department of Local Affairs. Note, the dollar amount in the summary table above represents the requested appropriation change.

PRIORITIZED SUPPLEMENTAL REQUESTS

S1 INTERCONNECTIVITY GRANT PROGRAM FUND ROLL-FORWARD

	REQUEST	RECOMMENDATION	
TOTAL		\$0	\$0
FTE		0.0	0.0
General Fund		0	0
Cash Funds		0	0
Federal Funds		0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request meets supplemental criteria. While the Department categorizes the request as an unforeseen contingency, Staff feels it was an oversight or error when drafting the appropriation clause for S.B. 21-289 as it should have been reasonably expected the Department would need more than one year to launch a new grant program and expend the funds.

DEPARTMENT REQUEST: The Department requests that one year of roll-forward authority be added to the \$5.0 million appropriation provided by H.B. 21-1289 (Funding for Broadband Deployment). This would allow the Department and grant recipients to expend funds for the Interconnectivity Grant Program through FY 2022-23.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request. Functionally, the roll-forward authority will be provided by amending the appropriation clause in H.B. 21-1289. **Staff is asking permission to include this supplemental adjustment as part of DOLA's section of the Long Bill**, if this adjustment is the only supplemental adjustment made for the Department. Absent approval of the requested decrease for the fleet vehicle adjustment, this request will be the only supplemental adjustment. Staff is seeking this permission to avoid the need for a separate supplemental bill to make a single adjustment.

STAFF ANALYSIS: House Bill 21-1289 created the Interconnectivity Grant Program in DOLA and appropriated \$5.0 million for this purpose. The appropriation was for FY 2020-21 and included roll-forward authority through FY 2021-22. This functionally provided the Department with one year and three days of spending authority by the time the bill was signed into law. The \$5.0 million appropriation originated as American Rescue Plan Act (ARPA) funds which were subsequently transferred into the Interconnectivity Grant Program Fund. ARPA funds must be expended or obligated by the end of calendar year 2024 with any obligated funds expended by the end of 2026.

Grants for this and other programs are made on a reimbursement basis and paid out over time. Even if the entire appropriation was encumbered to grant recipients before the end of the fiscal year, the recipients would be unable to draw from their awarded funds in FY 2022-23 absent an additional appropriation to the Department. Grant programs administered by DOLA normally include one year of roll-forward authority or are continuously appropriated due to the complicated timing and nature of grant contracts.

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

This request is not prioritized and is not analyzed in this packet. The JBC will act on this item later when it makes decisions regarding common policies.

DEPARTMENT'S PORTION OF STATEWIDE SUPPLEMENTAL REQUEST	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
Annual fleet supplemental true-up	(\$13,829)	(\$12,422)	\$0	(\$1,407)	\$0	0.0
DEPARTMENT'S TOTAL STATEWIDE SUPPLEMENTAL REQUESTS	(\$13,829)	(\$12,422)	\$0	(\$1,407)	\$0	0.0

STAFF RECOMMENDATION: The staff recommendation for this request is pending Committee action on common policy supplementals. Staff will include the corresponding appropriation in the Department's supplemental bill based on Committee action on common policy supplementals. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee at a later date to present the relevant analysis.