

# JOINT BUDGET COMMITTEE



## STAFF FIGURE SETTING FY 2021-22

## DEPARTMENT OF LOCAL AFFAIRS

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

PREPARED BY:  
ANDREA UHL, JBC STAFF  
FEBRUARY 17, 2021

JOINT BUDGET COMMITTEE STAFF  
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203  
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472  
<https://leg.colorado.gov/agencies/joint-budget-committee>

# CONTENTS

Department Overview .....	1
Summary of Staff Recommendations.....	2
Decision Items Affecting Multiple Divisions .....	8
➔ R8 Personal Services reductions .....	8
(1) Executive Director’s Office.....	8
Decision Items - Executive Director's Office.....	9
Line Item Detail — Executive Director’s Office .....	9
(A) Administration .....	9
(B) State Demography Office.....	20
(2) Property Taxation .....	22
Decision Items – Property Taxation .....	22
Line Item Detail — Property Taxation.....	22
(3) Division of Housing .....	27
Decision Items – Division of Housing .....	28
➔ R4 Affordable Housing Funds adjustment .....	28
➔ Staff-initiated informational line item .....	29
Line Item Detail — Division of Housing.....	29
(4) Division of Local Government.....	42
Decision Items – Division of Local Government.....	42
➔ R1 Defense Counsel on First Appearance Grant Program realignment .....	42
➔ R2 Gray & Black Market Marijuana Enforcement restructure .....	43
➔ R3 Crime Prevention Initiative Grants continued adjustment.....	44
➔ R5 Law Enforcement Community Services Grant Program.....	45
➔ R6 Geothermal Energy Impact Grants one-time elimination.....	46
➔ R7 Refinance Firefighter Heart and Circulatory Malfunction Benefits .....	47
Line Item Detail—Division of Local Government .....	48
Long Bill Footnotes and Requests for Information .....	77
Long Bill Footnotes .....	77
Requests for Information.....	80
Indirect Cost Assessments.....	82
Numbers Pages.....	84
Executive Director’s Office.....	84

Property Taxation.....	90
Division of Housing .....	91
Division Local Government.....	96

## HOW TO USE THIS DOCUMENT

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

## 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 Demography 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 non-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 OF STAFF RECOMMENDATIONS

DEPARTMENT OF LOCAL AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$337,148,712	\$41,432,649	\$200,338,105	\$13,420,858	\$81,957,100	199.8
Other legislation	33,544,038	37,123,788	(5,337,555)	1,757,805	0	1.7
NP Supplemental fleet true-up	14,313	14,313	0	0	0	0.0
<b>TOTAL</b>	<b>\$370,707,063</b>	<b>\$78,570,750</b>	<b>\$195,000,550</b>	<b>\$15,178,663</b>	<b>\$81,957,100</b>	<b>201.5</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$370,707,063	\$78,570,750	\$195,000,550	\$15,178,663	\$81,957,100	201.5
Annualize prior year budget actions	6,230,546	2,467,850	3,750,000	12,696	0	0.0
Centrally appropriated line items	678,477	(62,197)	326,015	228,030	186,629	0.0
Staff-initiated informational line item	505,540	0	505,540	0	0	4.8
Indirect cost assessment	369,646	0	94,461	299,143	(23,958)	0.0
R5 Law Enforcement Community Services Grant Program	200,000	0	200,000	0	0	0.0
R6 Geothermal Energy Impact Grants one-time elimination	0	0	0	0	0	0.0
R4 Affordable Housing Funds adjustment	0	0	0	0	0	0.0
Non-prioritized requests	(59,201)	(5,212)	(12,397)	(25,543)	(16,049)	0.0
R8 Personal services reductions	(124,658)	(124,658)	0	0	0	(1.0)
R7 Refinance Firefighter Heart and Circulatory Malfunction Benefits	(150,000)	(150,000)	0	0	0	0.0
R1 Defense Counsel on First Appearance Grant Program realignment	(687,625)	(687,625)	0	0	0	0.0
R3 Crime Prevention Initiative Grants continued adjustment	(1,000,000)	(1,000,000)	0	0	0	0.0
R2 Gray & Black Market Marijuana Enforcement restructure	(4,000,000)	0	(4,000,000)	0	0	0.0
Technical adjustments	(25,714,601)	0	(24,924,087)	(790,514)	0	(2.4)
Annualize prior year legislation	(36,058,351)	(36,585,643)	44,915	482,347	30	(1.4)
<b>TOTAL</b>	<b>\$310,896,836</b>	<b>\$42,423,265</b>	<b>\$170,984,997</b>	<b>\$15,384,822</b>	<b>\$82,103,752</b>	<b>201.5</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$59,810,227)</b>	<b>(\$36,147,485)</b>	<b>(\$24,015,553)</b>	<b>\$206,159</b>	<b>\$146,652</b>	<b>(0.0)</b>
Percentage Change	(16.1%)	(46.0%)	(12.3%)	1.4%	0.2%	(0.0%)
FY 2021-22 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$19,978,945	(\$4,566,819)	\$24,252,042	\$302,934	(\$9,212)	(4.1)

## DESCRIPTION OF INCREMENTAL CHANGES – FY 2020-21

**NP SUPPLEMENTAL FLEET TRUE-UP [PREVIOUSLY APPROVED]:** The recommendation includes an increase of \$14,313 General Fund. This recommendation is in accordance with the Committee's decision made on January 21, 2021, during the supplemental presentation for the Department of Personnel regarding mid-year adjustments for vehicle lease payments. As part of that decision, the Committee granted staff permission to include the supplemental adjustment as part of the each Department's portion of the Long Bill. Staff will include the approved adjustments in the Long Bill; no further action is required.

## DESCRIPTION OF INCREMENTAL CHANGES – FY 2021-22

**R1 DEFENSE COUNSEL ON FIRST APPEARANCE GRANT PROGRAM REALIGNMENT:** The recommendation includes a one-time reduction of \$687,625 General Fund for the Defense Counsel on First Appearance (DCFA) Grant Program, for a total FY 2021-22 appropriation of \$1,309,520. This program was established by H.B. 18-1353 (Defense Counsel in Municipal Court Grant Program) to reimburse local governments for costs associated with the provision of defense counsel to defendants making their first appearances in municipal courts.

**R2 GRAY & BLACK MARKET MARIJUANA ENFORCEMENT RESTRUCTURE:** The recommendation includes a one-time reduction of \$4.0 million Marijuana Tax Cash Funds to the Gray & Black Market Marijuana Enforcement Grant Program. The Program provides grants to local governments, law enforcement agencies, and district attorneys to assist with the enforcement of unlicensed and illegal marijuana cultivation and related crimes. A reduction of the same amount was made in FY 2020-21 at the Department's request. Grant spending had not met the program appropriation level in its first years, resulting in a large amount of funds carried forward annually. The program was further reduced by \$1.0 million in FY 2020-21 for budget balancing purposes, leaving \$950,673 of the \$5,950,673 base appropriation intact.

**R3 CRIME PREVENTION INITIATIVE GRANTS CONTINUED ADJUSTMENT:** The recommendation includes a one-year continuation of the \$1.0 million General Fund reduction to the Crime Prevention Initiative Grant Program made during budget balancing in the 2020 Session. The Program, created through H.B. 17-1326 (Justice Reinvestment Crime Prevention Initiative), was appropriated \$3.0 million General Fund annually since FY 2017-18 until being reduced to \$2.0 million in FY 2020-21. In FY 2019-20, 43 organizations in the target communities of North Aurora and southeast Colorado Springs received funding through this line item. Grants focus on recidivism reduction, substance use, safety for homeless persons, trafficking prevention, and addressing systemic causes of disparities. Geographic diversity, makeup of the organization (i.e. minority led), and diversity of persons served are all considered in grant criteria. The Denver Foundation, the organization that oversees the program, reports that only 21 grantees received funding in FY 2020-21 due to the reduction. The program has expended its full appropriation each year since its inception.

**R4 AFFORDABLE HOUSING FUNDS ADJUSTMENT:** The Department requests a one-time reduction of \$4.5 million General Fund to the Affordable Housing Construction Grants and Loans line item, and a corresponding reduction of \$136,349 reappropriated funds and 1.7 FTE in Affordable Housing Program Costs. The Department has identified this option for General Fund savings with the expectation that it will receive a more than offsetting influx of affordable housing funds in FY 2021-22 from transfers related to recent legislation. Staff does not recommend the request, unless the Committee again needs to apply significant budget reductions statewide.

**R5 LAW ENFORCEMENT COMMUNITY SERVICES GRANT PROGRAM:** The recommendation includes an ongoing increase of \$200,000 cash funds spending authority from the Law Enforcement Community Services (LECS) Grant Program Fund to begin making grants. The LECS Grant Program was created by H.B. 18-1020 (Civil Forfeiture Reforms) with a mission of supplementing local efforts focused on drug intervention, prevention, treatment, and recovery. The program was intended to begin grantmaking in FY 2020-21, however, the fund has not been accruing revenue as quickly as

originally estimated due to the unpredictable nature of the revenue stream coming from the sale of seized assets.

**R6 GEOTHERMAL ENERGY IMPACT GRANTS ONE-TIME ELIMINATION:** The Department requests a one-time elimination of the \$50,000 cash funds appropriation for the Local Government Geothermal Energy Impact Grants line item. The Geothermal Resource Leasing Fund was created for the deposit of all revenue from sales, bonuses, royalties, leases, and rentals related to the State's geothermal resources. The Local Government Geothermal Energy Impact Grants program was created to provide grants to state agencies, school districts, and political subdivisions affected by the development and production of geothermal resources as authorized by federal law. The Department has not had the occasion to provide grants for the statutorily specified purposes over the past six years and therefore proposes transferring the balance of this fund to supplement the General Fund in FY 2021-22. Staff does not recommend the request, unless the Committee again needs to apply significant budget reductions statewide.

**R7 REFINANCE FIREFIGHTER HEART AND CIRCULATORY MALFUNCTION BENEFITS:** The recommendation includes a one-time reduction of \$150,000 General Fund to the Firefighter Heart and Circulatory Malfunction Benefits line item, with a corresponding increase spent from the program's fund balance. The program underwent a similar refinancing as part of the 2020 Session balancing actions to reduce the General Fund appropriation by \$250,000. If this request is approved, there will be no available fund balance remaining at the close of FY 2021-22. The program will therefore require the full General Fund appropriation of approximately \$870,000 in future years to continue operating.

**R8 PERSONAL SERVICES REDUCTIONS:** The recommendation includes ongoing personal services reductions of \$49,658 General Fund and 1.0 FTE in the Property Taxation Division and \$75,000 General Fund in the Division of Housing, Community and Non-Profit Services subdivision. The Property Tax position is a high-turnover role that is currently vacant; duties associated with this position have been absorbed elsewhere. The Division of Housing reduction comes from a series of cost savings identified throughout the Community and Non-Profit Services subdivision.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The recommendation includes a net increase of \$6,230,546 total funds for prior year budget actions, summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize Gray & Black Market Marijuana reduction	\$4,000,000	\$0	\$4,000,000	\$0	\$0	0.0
Annualize Crime Prevention Initiative Grants reduction	1,000,000	1,000,000	0	0	0	0.0
Annualize Defense Counsel on First Appearance Grants reduction	997,145	997,145	0	0	0	0.0
Annualize FY 2020-21 GF HLD reduction	235,018	235,018	0	0	0	0.0
FY 2019-20 NP1/HCPF R14 Community Living	12,696	0	0	12,696	0	0.0
Annualize Firefighter Benefits funds adjustment	0	250,000	(250,000)	0	0	0.0
Annualize supplemental fleet adjustment	(14,313)	(14,313)	0	0	0	0.0
<b>TOTAL</b>	<b>\$6,230,546</b>	<b>\$2,467,850</b>	<b>\$3,750,000</b>	<b>\$12,696</b>	<b>\$0</b>	<b>0.0</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The recommendation includes adjustments to centrally appropriated line items, as detailed in the table below.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
BANP Salary survey adjustment	\$358,617	\$104,955	\$46,055	\$132,125	\$75,482	0.0
Payments to OIT adjustment	206,144	35,712	71,208	83,071	16,153	0.0
Health, life, and dental adjustment	118,364	28,328	14,270	42,727	33,039	0.0
Salary survey adjustment decision	72,198	21,130	9,271	26,599	15,198	0.0
Capitol Complex leased space adjustment	66,839	28,178	(1,855)	47,764	(7,248)	0.0
Payment to risk management / property funds adjustment	30,171	9,802	4,391	15,978	0	0.0
PERA Direct Distribution	21,841	(60,204)	(572)	9,968	72,649	0.0
AED adjustment	5,347	(218)	(6,715)	6,182	6,098	0.0
SAED adjustment	5,347	(218)	(6,715)	6,182	6,098	0.0
AED adjustment decision	3,212	940	412	1,184	676	0.0
SAED adjustment decision	3,212	940	412	1,184	676	0.0
ALJ adjustment	842	0	842	0	0	0.0
Short-term disability adjustment decision	99	29	13	36	21	0.0
Legal services adjustment	(124,713)	(205,734)	221,021	(140,000)	0	0.0
BANP Health life dental adjustment	(57,753)	(15,702)	(10,338)	(18,214)	(13,499)	0.0
CORE adjustment	(26,549)	(7,232)	(11,700)	10,940	(18,557)	0.0
Workers' compensation adjustment	(3,212)	(2,397)	(3,543)	2,728	0	0.0
Short-term disability adjustment	(1,529)	(506)	(442)	(424)	(157)	0.0
<b>TOTAL</b>	<b>\$678,477</b>	<b>(\$62,197)</b>	<b>\$326,015</b>	<b>\$228,030</b>	<b>\$186,629</b>	<b>0.0</b>

**STAFF-INITIATED INFORMATIONAL LINE ITEM:** The recommendation includes a new line item to reflect expenditures from the Mobile Home Dispute Resolution and Enforcement Program Fund that was created pursuant to H.B. 19-1309 (Mobile Home Park Act Oversight) and is continuously appropriated.

**INDIRECT COST ASSESSMENT:** The recommendation includes adjustments based on the Department's updated indirect cost plan. The Indirect Cost Plan is discussed in detail at the end of this document.

**NON-PRIORITIZED REQUESTS:** The recommendation includes adjustments related to non-prioritized request that originate in the Governor's Office of Information Technology (OIT) and the Department of Personnel.

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP2 Annual fleet request	\$23,506	\$17,630	\$0	\$5,876	\$0	0.0
NP1 DPA Center for Organizational Effectiveness	3,247	897	487	1,233	630	0.0
NP3 OIT Budget request package	(85,954)	(23,739)	(12,884)	(32,652)	(16,679)	0.0
<b>TOTAL</b>	<b>(\$59,201)</b>	<b>(\$5,212)</b>	<b>(\$12,397)</b>	<b>(\$25,543)</b>	<b>(\$16,049)</b>	<b>0.0</b>

**TECHNICAL ADJUSTMENTS:** The recommendation includes an increase of \$8.1 million in the informational amount reflected for Conservation Trust Fund Disbursements, a net-zero adjustment to the line item location of the H.B. 20-1095 appropriation, a \$33.0 million reduction in the informational amount shown for Local Government Mineral and Energy Impact Grants and



Disbursements, and a \$790,514 in the amount of funds reappropriated from the Affordable Housing Grants and Loans line to Affordable Housing Program Costs.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Conservation Trust Fund adjustment	\$8,075,913	\$0	\$8,075,913	\$0	\$0	0.0
HB 20-1095 appropriation location	0	0	0	0	0	0.0
EIAF informational funds adjustment	(33,000,000)	0	(33,000,000)	0	0	0.0
Reappropriated cost adjustment	(790,514)	0	0	(790,514)	0	(2.4)
<b>TOTAL</b>	<b>(\$25,714,601)</b>	<b>\$0</b>	<b>(\$24,924,087)</b>	<b>(\$790,514)</b>	<b>\$0</b>	<b>(2.4)</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The recommendation includes a net decrease of \$36,058,351 total funds to reflect the FY 2021-22 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1326 Transition from Institutional Settings	\$552,840	\$552,840	\$0	\$0	\$0	0.0
HB 19-1245 Affordable Housing Vendor Fee Changes	365,097	0	0	365,097	0	1.7
HB 20-1379 Suspend PERA Direct Distribution	323,311	161,219	44,897	117,195	0	0.0
HB 20-1095 Water Elements Local Government Plans	36,240	36,240	0	0	0	0.5
SB 18-200 PERA unfunded liability	145	42	18	55	30	0.0
SB 20B-001 COVID Small Business Relief	(37,000,000)	(37,000,000)	0	0	0	(2.1)
HB 20-1019 Prison Population Reduction	(250,000)	(250,000)	0	0	0	0.0
HB 19-1239 Census Outreach Grant Program	(85,984)	(85,984)	0	0	0	(1.5)
<b>TOTAL</b>	<b>(\$36,058,351)</b>	<b>(\$36,585,643)</b>	<b>\$44,915</b>	<b>\$482,347</b>	<b>\$30</b>	<b>(1.4)</b>

## MAJOR DIFFERENCES FROM THE REQUEST

- The recommendation includes denial of the Department's R4 Affordable Housing Funds adjustment request for a one-time reduction of \$4.5 million General Fund to the Affordable Housing Construction Grants and Loans line item, and a corresponding reduction of \$136,349 reappropriated funds and 1.7 FTE in Affordable Housing Program Costs.
- The recommendation includes denial of the R6 request to eliminate \$50,000 of cash fund spending authority for Local Government Geothermal Energy Impact Grants and transfer \$123,000 from the corresponding fund to the General Fund through separate legislation.
- The recommendation includes a decrease of \$33.0 million to the informational amount shown in the Local Government Mineral and Energy Impact Grants and Disbursements line item to better reflect the downturn in revenues that began in FY 2019-20.
- The recommendation includes an increase of \$8.1 million to the informational amount shown for Conservation Trust Fund Disbursements to better reflect growing Lottery proceeds.
- The recommendation includes a decrease of \$790,514 and 2.4 FTE to the amount of reappropriated funds for Affordable Housing Program Costs. The adjusted amount more accurately reflects the allowable administrative expenditures as three percent of money *appropriated* to the Housing Development Grant Fund. This adjustment excludes changing administrative costs and FTE levels associated with legislation that *transfers* funds to the HDGF.
- The recommendation includes a new line item to reflect expenditures from the Mobile Home Dispute Resolution and Enforcement Program Fund that was created pursuant to H.B. 19-1309 (Mobile Home Park Act Oversight) and is continuously appropriated. Expenditures from this fund were not appropriated by H.B. 19-1309, nor were they shown in the FY 2020-21 Long Bill for informational purposes. Staff recommends an informational appropriation of \$505,540 and 4.8 FTE in the new line item.
- The Committee approved compensation common policies that differ from the request, including:
  - Salary Survey increase of 2.5 percent, which also affects AED, SAED, and Short-term Disability; and
  - Exclusion of the net to gross component of requested S.B. 18-200 annualizations.

## DECISION ITEMS AFFECTING MULTIPLE DIVISIONS

### → R8 PERSONAL SERVICES REDUCTIONS

The request includes ongoing personal services reductions of \$49,658 General Fund and 1.0 FTE in the Property Taxation Division and \$75,000 General Fund in the Division of Housing, Community and Non-Profit Services subdivision.

**RECOMMENDATION:** Staff recommends approving the request.

#### ANALYSIS:

The Property Tax position is a high-turnover role related to commercial appraisals that is currently vacant; the Department has trouble providing a competitive salary for this type of position in comparison with the counties. Duties associated with this position have already been absorbed elsewhere. The Division of Housing reduction comes from a series of cost savings identified throughout the Community and Non-Profit Services subdivision, including costs for contractors.

## (1) EXECUTIVE DIRECTOR'S OFFICE

The Executive Director's Office (EDO) Administration subdivision is responsible for the management and administration of the Department, including accounting, budgeting, human resources, and other functions statutorily assigned to the Department such as administration of the Moffat Tunnel Improvement District. The State Demography Office provides population and demographic data and analysis for the state. This includes providing support to other state agencies, federal partners, local governments, and the public about demographic trends at the state, regional, county, and municipal levels.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2020-21 Appropriation</b>						
HB 20-1360 (Long Bill)	\$9,860,237	\$2,972,044	\$1,204,560	\$4,348,513	\$1,335,120	20.2
Other legislation	(323,311)	(161,219)	(78,169)	(83,923)	0	0.0
NP Supplemental fleet true-up	14,313	14,313	0	0	0	0.0
<b>TOTAL</b>	<b>\$9,551,239</b>	<b>\$2,825,138</b>	<b>\$1,126,391</b>	<b>\$4,264,590</b>	<b>\$1,335,120</b>	<b>20.2</b>
<b>FY 2021-22 RECOMMENDED APPROPRIATION</b>						
FY 2020-21 Appropriation	\$9,551,239	\$2,825,138	\$1,126,391	\$4,264,590	\$1,335,120	20.2
Annualize prior year budget actions	220,705	220,705	0	0	0	0.0
Centrally appropriated line items	678,477	(62,197)	326,015	228,030	186,629	0.0
Indirect cost assessment	(3,222)	0	(2,626)	0	(596)	0.0
Non-prioritized requests	(59,201)	(5,212)	(12,397)	(25,543)	(16,049)	0.0
Annualize prior year legislation	323,329	161,219	44,915	117,195	0	0.0
<b>TOTAL</b>	<b>\$10,711,327</b>	<b>\$3,139,653</b>	<b>\$1,482,298</b>	<b>\$4,584,272</b>	<b>\$1,505,104</b>	<b>20.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,160,088</b>	<b>\$314,515</b>	<b>\$355,907</b>	<b>\$319,682</b>	<b>\$169,984</b>	<b>0.0</b>
Percentage Change	12.1%	11.1%	31.6%	7.5%	12.7%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$10,635,505</b>	<b>\$3,116,614</b>	<b>\$1,474,493</b>	<b>\$4,555,269</b>	<b>\$1,489,129</b>	<b>20.2</b>

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Request Above/(Below) Recommendation	(\$75,822)	(\$23,039)	(\$7,805)	(\$29,003)	(\$15,975)	0.0

## DECISION ITEMS - EXECUTIVE DIRECTOR'S OFFICE

The Department did not submit any decision items for this division.

## LINE ITEM DETAIL — EXECUTIVE DIRECTOR'S OFFICE

### (A) ADMINISTRATION

#### PERSONAL SERVICES

This line item supports 14.2 FTE in the Executive Director's Office, including:

- 2.0 FTE for management;
- 2.0 FTE for communications and legislative liaison duties;
- 2.0 FTE for human resources; and
- 8.2 FTE for budget and accounting.

*STATUTORY AUTHORITY:* Article 32 of Title 24, C.R.S.

*REQUEST:* The Department requests \$1,521,406 reappropriated funds (from indirect cost recoveries) and 14.2 FTE, which is a continuation level of funding.

*RECOMMENDATION:* **Staff recommends approving the request.**

#### HEALTH, LIFE, AND DENTAL

This line item provides funding for the employer's share of the cost of group benefit plans providing health, life, and dental insurance for State employees.

*STATUTORY AUTHORITY:* Pursuant to Section 24-50-611, C.R.S., and defined in Section 24-50-603 (9), C.R.S.

*REQUEST:* The Department requests \$2,106,269 total funds, including \$651,944 General Fund.

*RECOMMENDATION:* **Staff recommends the request**, which includes a small fund source adjustment from the common policy figures previously approved by the JBC to correct for a shift from cash funds to reappropriated funds resulting from H.B. 20-1399 (Suspend Limited Gaming Tax Transfers to Cash Funds), which amended the Long Bill appropriation.

EXECUTIVE DIRECTOR'S OFFICE, ADMINISTRATION, HEALTH, LIFE, AND DENTAL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$1,810,640	\$404,300	\$344,155	\$650,655	\$411,530	0.0
Other legislation	\$0	\$0	(\$17,160)	\$17,160	\$0	0.0
<b>TOTAL</b>	<b>\$1,810,640</b>	<b>\$404,300</b>	<b>\$326,995</b>	<b>\$667,815</b>	<b>\$411,530</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$1,810,640	\$404,300	\$326,995	\$667,815	\$411,530	0.0
Annualize prior year budget actions	235,018	235,018	0	0	0	0.0
Centrally appropriated line items	60,611	12,626	3,932	24,513	19,540	0.0
<b>TOTAL</b>	<b>\$2,106,269</b>	<b>\$651,944</b>	<b>\$330,927</b>	<b>\$692,328</b>	<b>\$431,070</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$295,629</b>	<b>\$247,644</b>	<b>\$3,932</b>	<b>\$24,513</b>	<b>\$19,540</b>	<b>0.0</b>
Percentage Change	16.3%	61.3%	1.2%	3.7%	4.7%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$2,106,269</b>	<b>\$651,944</b>	<b>\$330,927</b>	<b>\$692,328</b>	<b>\$431,070</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

### SHORT-TERM DISABILITY

This line item provides funding for the employer's share of State employees' short-term disability insurance premiums.

*STATUTORY AUTHORITY:* Pursuant to Section 24-50-611, C.R.S., and defined in Section 24-50-603 (13), C.R.S.

*REQUEST:* The Department requests \$22,364 total funds (including \$6,545 General Fund).

*RECOMMENDATION:* **Staff recommends appropriating \$22,463 total funds** (including \$6,574 General Fund), which is consistent with Committee common policy.

EXECUTIVE DIRECTOR'S OFFICE, ADMINISTRATION, SHORT-TERM DISABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$23,444	\$6,920	\$3,256	\$8,498	\$4,770	0.0
<b>TOTAL</b>	<b>\$23,444</b>	<b>\$6,920</b>	<b>\$3,256</b>	<b>\$8,498</b>	<b>\$4,770</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$23,444	\$6,920	\$3,256	\$8,498	\$4,770	0.0
Centrally appropriated line items	(981)	(346)	(371)	(222)	(42)	0.0
<b>TOTAL</b>	<b>\$22,463</b>	<b>\$6,574</b>	<b>\$2,885</b>	<b>\$8,276</b>	<b>\$4,728</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$981)</b>	<b>(\$346)</b>	<b>(\$371)</b>	<b>(\$222)</b>	<b>(\$42)</b>	<b>0.0</b>
Percentage Change	(4.2%)	(5.0%)	(11.4%)	(2.6%)	(0.9%)	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$22,364</b>	<b>\$6,545</b>	<b>\$2,872</b>	<b>\$8,240</b>	<b>\$4,707</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$99)	(\$29)	(\$13)	(\$36)	(\$21)	0.0

**S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT**

Pursuant to S.B. 04-257, this line item provides additional funding to increase the state contribution for Public Employees' Retirement Association (PERA).

*STATUTORY AUTHORITY:* Section 24-51-411, C.R.S.

*REQUEST:* The Department requests \$728,636 total funds (including \$213,247 General Fund).

*RECOMMENDATION:* **Staff recommends appropriating \$731,848 total funds** (including \$214,187 General Fund), which is consistent with Committee common policy.

EXECUTIVE DIRECTOR'S OFFICE, ADMINISTRATION, S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$708,651	\$209,181	\$98,408	\$256,874	\$144,188	0.0
<b>TOTAL</b>	<b>\$708,651</b>	<b>\$209,181</b>	<b>\$98,408</b>	<b>\$256,874</b>	<b>\$144,188</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$708,651	\$209,181	\$98,408	\$256,874	\$144,188	0.0
Centrally appropriated line items	23,197	5,006	(4,423)	12,759	9,855	0.0
<b>TOTAL</b>	<b>\$731,848</b>	<b>\$214,187</b>	<b>\$93,985</b>	<b>\$269,633</b>	<b>\$154,043</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$23,197</b>	<b>\$5,006</b>	<b>(\$4,423)</b>	<b>\$12,759</b>	<b>\$9,855</b>	<b>0.0</b>
Percentage Change	3.3%	2.4%	(4.5%)	5.0%	6.8%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$728,636</b>	<b>\$213,247</b>	<b>\$93,573</b>	<b>\$268,449</b>	<b>\$153,367</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$3,212)	(\$940)	(\$412)	(\$1,184)	(\$676)	0.0

**S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT**

Pursuant to S.B. 06-235, this line item provides additional funding to increase the State contribution for PERA.

*STATUTORY AUTHORITY:* Section 24-51-411, C.R.S.

*REQUEST:* The Department requests \$728,636 total funds (including \$213,247 General Fund).

*RECOMMENDATION:* **Staff recommends appropriating \$731,848 total funds** (including \$214,187 General Fund), which is consistent with Committee common policy.

EXECUTIVE DIRECTOR'S OFFICE, ADMINISTRATION, S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$708,651	\$209,181	\$98,408	\$256,874	\$144,188	0.0
<b>TOTAL</b>	<b>\$708,651</b>	<b>\$209,181</b>	<b>\$98,408</b>	<b>\$256,874</b>	<b>\$144,188</b>	<b>0.0</b>

EXECUTIVE DIRECTOR'S OFFICE, ADMINISTRATION, S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$708,651	\$209,181	\$98,408	\$256,874	\$144,188	0.0
Centrally appropriated line items	23,197	5,006	(4,423)	12,759	9,855	0.0
<b>TOTAL</b>	<b>\$731,848</b>	<b>\$214,187</b>	<b>\$93,985</b>	<b>\$269,633</b>	<b>\$154,043</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$23,197</b>	<b>\$5,006</b>	<b>(\$4,423)</b>	<b>\$12,759</b>	<b>\$9,855</b>	<b>0.0</b>
Percentage Change	3.3%	2.4%	(4.5%)	5.0%	6.8%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$728,636</b>	<b>\$213,247</b>	<b>\$93,573</b>	<b>\$268,449</b>	<b>\$153,367</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$3,212)	(\$940)	(\$412)	(\$1,184)	(\$676)	0.0

### PERA DIRECT DISTRIBUTION

This line item is included as a common policy allocation payment for the state portion of the PERA Direct Distribution created in Section 24-51-414, C.R.S., enacted in S.B. 18-200.

*STATUTORY AUTHORITY:* Section 24-51-414 (2), C.R.S.

*REQUEST:* The Department requests \$345,152 total funds (including \$101,015 General Fund) for this purpose, which includes the annualization of H.B. 20-1379 (Suspend PERA Direct Distribution).

*RECOMMENDATION:* **Staff recommends approving the request**, which is calculated consistent with JBC common policy.

EXECUTIVE DIRECTOR'S OFFICE, ADMINISTRATION, PERA DIRECT DISTRIBUTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$323,311	\$161,219	\$44,897	\$117,195	\$0	0.0
Other legislation	(323,311)	(161,219)	(44,897)	(117,195)	0	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Annualize prior year legislation	323,311	161,219	44,897	117,195	0	0.0
Centrally appropriated line items	21,841	(60,204)	(572)	9,968	72,649	0.0
<b>TOTAL</b>	<b>\$345,152</b>	<b>\$101,015</b>	<b>\$44,325</b>	<b>\$127,163</b>	<b>\$72,649</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$345,152</b>	<b>\$101,015</b>	<b>\$44,325</b>	<b>\$127,163</b>	<b>\$72,649</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$345,152</b>	<b>\$101,015</b>	<b>\$44,325</b>	<b>\$127,163</b>	<b>\$72,649</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## SALARY SURVEY

The Department uses this line item to pay for annual increases for salary survey and senior executive service positions.

*STATUTORY AUTHORITY:* Section 24-50-104, C.R.S.

*REQUEST:* The Department requests \$328,892 total funds (including \$96,256 General Fund).

*RECOMMENDATION:* **Staff recommends appropriating \$401,090 total funds** (including \$117,386 General Fund), which is consistent with Committee common policy.

EXECUTIVE DIRECTOR'S OFFICE, ADMINISTRATION, SALARY SURVEY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$0	\$0	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Centrally appropriated line items	401,090	117,386	51,508	147,772	84,424	0.0
<b>TOTAL</b>	<b>\$401,090</b>	<b>\$117,386</b>	<b>\$51,508</b>	<b>\$147,772</b>	<b>\$84,424</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>						
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$72,198)	(\$21,130)	(\$9,271)	(\$26,599)	(\$15,198)	0.0

## WORKERS' COMPENSATION

This line item is used to pay the Department's estimated share for inclusion in the State's workers' compensation program for state employees.

*STATUTORY AUTHORITY:* Section 24-30-1510.7, C.R.S.

*REQUEST:* The Department requests \$113,711 total funds (including \$38,966 General Fund).

*RECOMMENDATION:* The staff recommendation is **pending** a Committee common policy decision for this line item.

## OPERATING EXPENSES

This line item includes funding for operating expenses for the Executive Director's Office as well as funding for capital outlay, motor pool, and software maintenance agreements.

*STATUTORY AUTHORITY:* Article 32 of Title 24, C.R.S.



*REQUEST:* The Department requests \$133,829 total funds, paid entirely by indirect cost recoveries, which is a continuation level of funding.

*RECOMMENDATION:* **Staff recommends approving the request.** [More information about the Department's indirect cost assessments is provided at the end of this packet.]

## LEGAL SERVICES

This line item provides funding for the Department to purchase legal services from the Department of Law. Most of the appropriation funds legal services to the Board of Assessment Appeals, the Property Tax Administrator, and the Mobile Home Park Act Dispute Resolution and Enforcement Program. The balance of the legal services hours provides staffing for rule and regulation review, contract processing, and other miscellaneous legal needs.

*STATUTORY AUTHORITY:* Sections 24-31-101 (1)(a), C.R.S., and 24-75-112 (1)(i), C.R.S.

*REQUEST:* The Department requests \$416,469 total funds (including \$150,448 General Fund) to purchase legal services from the Department of Law.

*RECOMMENDATION:* The staff recommendation is **pending** the Committee common policy decision for this line item.

EXECUTIVE DIRECTOR'S OFFICE, ADMINISTRATION, LEGAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$541,182	\$356,182	\$25,000	\$160,000	\$0	0.0
<b>TOTAL</b>	<b>\$541,182</b>	<b>\$356,182</b>	<b>\$25,000</b>	<b>\$160,000</b>	<b>\$0</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$541,182	\$356,182	\$25,000	\$160,000	\$0	0.0
Centrally appropriated line items	(124,713)	(205,734)	221,021	(140,000)	0	0.0
<b>TOTAL</b>	<b>\$416,469</b>	<b>\$150,448</b>	<b>\$246,021</b>	<b>\$20,000</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$124,713)</b>	<b>(\$205,734)</b>	<b>\$221,021</b>	<b>(\$140,000)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(23.0%)	(57.8%)	884.1%	(87.5%)	0.0%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$416,469</b>	<b>\$150,448</b>	<b>\$246,021</b>	<b>\$20,000</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## ADMINISTRATIVE LAW JUDGE SERVICES (NEW LINE ITEM)

This line item is used to purchase administrative law services from the Department of Personnel.

*STATUTORY AUTHORITY:* Sections 24-30-1001 (3) and 24-30-1002, C.R.S.

*REQUEST:* The Department did not request funding for this line item.

*RECOMMENDATION:* The staff recommendation is **pending** the Committee common policy decision for this line item. The Department did not include a request for this line item in its budget submission. However, preliminary analysis of operating common policies indicates a cash fund appropriation of \$842 will be needed in FY 2021-22 for costs related to the Mobile Home Park Act Dispute Resolution and Enforcement Program.

## PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

The Department's share of liability and property insurance carried by the Department of Personnel and Administration is appropriated through this line item. The State's liability program is used to pay liability claims and expenses brought against the State.

*STATUTORY AUTHORITY:* Section 24-30-1510 and 24-30-1510.5, C.R.S.

*REQUEST:* The Department requests \$78,582 total funds (including \$26,928 General Fund).

*RECOMMENDATION:* The staff recommendation is **pending** the Committee common policy decision for this line item.

EXECUTIVE DIRECTOR'S OFFICE, ADMINISTRATION, PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$48,411	\$17,126	\$10,224	\$21,061	\$0	0.0
Other legislation	\$0	\$0	(\$323)	\$323	\$0	0.0
<b>TOTAL</b>	<b>\$48,411</b>	<b>\$17,126</b>	<b>\$9,901</b>	<b>\$21,384</b>	<b>\$0</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$48,411	\$17,126	\$9,901	\$21,384	\$0	0.0
Centrally appropriated line items	30,171	9,802	4,391	15,978	0	0.0
<b>TOTAL</b>	<b>\$78,582</b>	<b>\$26,928</b>	<b>\$14,292</b>	<b>\$37,362</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$30,171</b>	<b>\$9,802</b>	<b>\$4,391</b>	<b>\$15,978</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	62.3%	57.2%	44.3%	74.7%	0.0%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$78,582</b>	<b>\$26,928</b>	<b>\$14,292</b>	<b>\$37,362</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## STATEWIDE TRAINING [NEW LINE ITEM]

This line item provides funding for payments to the Center for Organizational Effectiveness, which provides professional development and training services for state employees.

*STATUTORY AUTHORITY:* Section 24-50-122, C.R.S.

*REQUEST:* The Department of Local Affairs requests \$3,247 total funds, including \$897 General Fund, \$487 cash funds, \$1,233 reappropriated funds, and \$630 federal funds. The request includes the creation of a new line item to accommodate a new common policy.

*RECOMMENDATION:* The staff recommendation is **pending** the Committee common policy decision for this line item. JBC staff requests permission to reflect Committee action for this line item.

## VEHICLE LEASE PAYMENTS

This line item provides funding for annual payments to the Department of Personnel for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles. The Department currently uses 35 vehicles, including:

- 14 that are assigned to individual staff, including regional managers and Division of Housing field representatives outside of Denver; and
- 21 pool vehicles that are used by staff for intermittent fieldwork and meetings.

*STATUTORY AUTHORITY:* Section 24-30-1104 (2), C.R.S.

*REQUEST:* The Department requests \$116,786 total funds (including \$101,418 General Fund).

*RECOMMENDATION:* The staff recommendation is **pending** a Committee common policy decision for this line item.

EXECUTIVE DIRECTOR'S OFFICE, ADMINISTRATION, VEHICLE LEASE PAYMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$93,280	\$83,788	\$0	\$9,492	\$0	0.0
NP Supplemental fleet true-up	\$14,313	\$14,313	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$107,593</b>	<b>\$98,101</b>	<b>\$0</b>	<b>\$9,492</b>	<b>\$0</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$107,593	\$98,101	\$0	\$9,492	\$0	0.0
Non-prioritized requests	23,506	17,630	0	5,876	0	0.0
Annualize prior year budget actions	(14,313)	(14,313)	0	0	0	0.0
<b>TOTAL</b>	<b>\$116,786</b>	<b>\$101,418</b>	<b>\$0</b>	<b>\$15,368</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$9,193</b>	<b>\$3,317</b>	<b>\$0</b>	<b>\$5,876</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	8.5%	3.4%	0.0%	61.9%	0.0%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$116,786</b>	<b>\$101,418</b>	<b>\$0</b>	<b>\$15,368</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## INFORMATION TECHNOLOGY ASSET MAINTENANCE

This line item funds routine replacement of technology to keep it current and minimize work interruptions.

*STATUTORY AUTHORITY:* Article 32 of Title 24, C.R.S.

*REQUEST:* The Department requests \$74,950 total funds (including \$28,713 General Fund), which is a continuation level of funding.

*RECOMMENDATION:* **Staff recommends approving the request.**

## LEASED SPACE

This line item funds leased space needs for the Department. Each office is strategically located throughout the State to maximize the impact of DOLA's field staff. The Department's existing leases are listed in the following table.

SUMMARY OF LEASED SPACE				
CITY	ADDRESS	FY 2019-20 LEASE PAYMENTS	FY 2020-21 LEASE PAYMENTS	SPACE (SQ. FEET)
Alamosa	610 State Street	\$6,240	\$6,240	291
Loveland	150 East 29th Street	15,796	15,796	955
Pueblo	132 West B Street	15,500	15,500	900
Sterling	109 North Front Street	6,070	6,070	500
<b>Total</b>		<b>\$43,606</b>	<b>\$43,606</b>	<b>2,646</b>

The Department's overall leased space has declined since FY 2018-19. Office spaces in Frisco and Durango that were used for regional managers within the Division of Local Government's field services team were eliminated due to the high amount of travel and remote work these positions entail.

*STATUTORY AUTHORITY:* Article 32 of Title 24, C.R.S.

*REQUEST:* The Department requests \$47,000 total funds (including \$18,500 General Fund), which is a continuation level of funding.

*RECOMMENDATION:* **Staff recommends approving the request.**

## CAPITOL COMPLEX LEASED SPACE

This line item is used to pay the Department of Personnel for the costs of maintaining State buildings that are part of the Capitol Complex. The Department currently leases space in the Complex at 1313 Sherman Street and in Grand Junction. At both locations, DOLA provides financial support to local communities and professional and technical services to community leaders in the areas of governance, housing, and property tax administration.

*STATUTORY AUTHORITY:* Section 24-30-1104 (4) and Part 1 of Article 82 of Title 24, C.R.S.

*REQUEST:* The Department requests \$774,319 total funds (including \$252,445 General Fund). Anticipated square footage is shown in the table below.

CAPITOL COMPLEX LEASE SPACE	
LOCATION	SPACE (SQ. FEET)
Denver – 1313 Sherman Street	38,107
Grand Junction – 222 S. 6 <sup>th</sup> Street	3,783

*RECOMMENDATION:* Staff recommends the requested space allotment. The cost for this space is **pending** the Committee common policy decision for capitol complex leased space.

EXECUTIVE DIRECTOR'S OFFICE, ADMINISTRATION, CAPITOL COMPLEX LEASED SPACE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$707,480	\$224,267	\$112,865	\$199,945	\$170,403	0.0
Other legislation	\$0	\$0	(\$4,227)	\$4,227	\$0	0.0
<b>TOTAL</b>	<b>\$707,480</b>	<b>\$224,267</b>	<b>\$108,638</b>	<b>\$204,172</b>	<b>\$170,403</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$707,480	\$224,267	\$108,638	\$204,172	\$170,403	0.0
Centrally appropriated line items	66,839	28,178	(1,855)	47,764	(7,248)	0.0
<b>TOTAL</b>	<b>\$774,319</b>	<b>\$252,445</b>	<b>\$106,783</b>	<b>\$251,936</b>	<b>\$163,155</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$66,839</b>	<b>\$28,178</b>	<b>(\$1,855)</b>	<b>\$47,764</b>	<b>(\$7,248)</b>	<b>0.0</b>
Percentage Change	9.4%	12.6%	(1.7%)	23.4%	(4.3%)	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$774,319</b>	<b>\$252,445</b>	<b>\$106,783</b>	<b>\$251,936</b>	<b>\$163,155</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## PAYMENTS TO OIT

This line item includes the consolidated Department appropriations for information technology services.

*STATUTORY AUTHORITY:* Section 24-37.5-104, C.R.S.

*REQUEST:* The Department requests \$2,012,984 total funds (including \$611,686 General Fund). This amount includes an annual adjustment for the cost of OIT services, as well as non-prioritized requests that were initiated from OIT.

*RECOMMENDATION:* The overall staff recommendation is **pending** the Committee common policy decision for this line item and for the non-prioritized request.

EXECUTIVE DIRECTOR'S OFFICE, ADMINISTRATION, PAYMENTS TO OIT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$1,892,794	\$599,713	\$246,313	\$722,326	\$324,442	0.0
Other legislation	\$0	\$0	(\$8,083)	\$8,083	\$0	0.0
<b>TOTAL</b>	<b>\$1,892,794</b>	<b>\$599,713</b>	<b>\$238,230</b>	<b>\$730,409</b>	<b>\$324,442</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$1,892,794	\$599,713	\$238,230	\$730,409	\$324,442	0.0
Centrally appropriated line items	206,144	35,712	71,208	83,071	16,153	0.0
Non-prioritized requests	(85,954)	(23,739)	(12,884)	(32,652)	(16,679)	0.0
<b>TOTAL</b>	<b>\$2,012,984</b>	<b>\$611,686</b>	<b>\$296,554</b>	<b>\$780,828</b>	<b>\$323,916</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$120,190</b>	<b>\$11,973</b>	<b>\$58,324</b>	<b>\$50,419</b>	<b>(\$526)</b>	<b>0.0</b>
Percentage Change	6.3%	2.0%	24.5%	6.9%	(0.2%)	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$2,012,984</b>	<b>\$611,686</b>	<b>\$296,554</b>	<b>\$780,828</b>	<b>\$323,916</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## CORE OPERATIONS

This line item provides funds for the Department's share of the operational costs of Colorado Operations Resource Engine (CORE), the statewide accounting system.

*STATUTORY AUTHORITY:* Section 24-30-209, C.R.S.

*REQUEST:* The Department requests \$492,852 total funds (including \$136,116 General Fund).

*RECOMMENDATION:* The staff recommendation is **pending** the Committee common policy decision for this line item.

EXECUTIVE DIRECTOR'S OFFICE, ADMINISTRATION, CORE OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$519,401	\$143,348	\$85,577	\$176,283	\$114,193	0.0
Other legislation	\$0	\$0	(\$2,700)	\$2,700	\$0	0.0
<b>TOTAL</b>	<b>\$519,401</b>	<b>\$143,348</b>	<b>\$82,877</b>	<b>\$178,983</b>	<b>\$114,193</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$519,401	\$143,348	\$82,877	\$178,983	\$114,193	0.0
Centrally appropriated line items	(26,549)	(7,232)	(11,700)	10,940	(18,557)	0.0
<b>TOTAL</b>	<b>\$492,852</b>	<b>\$136,116</b>	<b>\$71,177</b>	<b>\$189,923</b>	<b>\$95,636</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$26,549)</b>	<b>(\$7,232)</b>	<b>(\$11,700)</b>	<b>\$10,940</b>	<b>(\$18,557)</b>	<b>0.0</b>
Percentage Change	(5.1%)	(5.0%)	(14.1%)	6.1%	(16.3%)	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$492,852</b>	<b>\$136,116</b>	<b>\$71,177</b>	<b>\$189,923</b>	<b>\$95,636</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## MOFFAT TUNNEL IMPROVEMENT DISTRICT

This line item funds the Department's administration of the Moffat Tunnel Improvement District. The Moffat Tunnel train tunnel, owned by the district, runs 6.2 miles under the Continental Divide between Rollinsville and Winter Park.

Freight trains, passenger trains, and fiber optic cables run through the tunnel bore. DOLA is provided custodial authority by statute, with rights to enter into contracts and to effect sale of the property. However, revenue from the property is to be distributed to the nine Improvement District counties, after the Department has set aside sufficient revenue for administrative costs.<sup>1</sup>

Cash funds are received from annual lease revenues. There are currently two lessees, Union Pacific Railroad and Century Link (formerly Qwest). The leases require payments of \$12,000 per year from Union Pacific and \$14,659 per year from Century Link. The Union Pacific lease term ends in 2025 with a right to renew and the Century Link lease term ends in 2091 with right to renew. The

<sup>1</sup> Administrative costs do not include physical maintenance of the tunnel, since, pursuant to statute, the users of the tunnel are responsible for the cost of maintaining the tunnel, its approaches, and equipment. Users also have the right to construct and repair, for their own benefit and at their sole cost, improvements to the Tunnel.

appropriation provides spending authority from reserves in the Moffat Tunnel Cash Fund in case money is needed to protect the right-of-way from legal challenges.

*STATUTORY AUTHORITY:* Article 8 of Title 32, C.R.S.

*REQUEST:* The Department requests \$5,000 cash funds.

*RECOMMENDATION:* **Staff recommends approving the request.**

## (B) STATE DEMOGRAPHY OFFICE

### PROGRAM COSTS

This line item provides funding for the State Demography Office, which provides population and demographic data and analysis for the state. This includes providing support to other state agencies, federal partners, local governments, and the public about demographic trends at the state, regional, county, and municipal levels.

*STATUTORY AUTHORITY:* Section 24-32-203, C.R.S.,

*REQUEST:* The Department requests \$568,128 total funds (including \$468,243 General Fund) and 6.0 FTE. The request includes the out-year impacts of S.B. 18-200 (to reflect the scheduled increase in the employer PERA contribution).

*RECOMMENDATION:* **The staff recommends \$567,609 total funds (including \$468,243 General Fund),** which is calculated consistent with JBC common policy.

EXECUTIVE DIRECTOR'S OFFICE, STATE DEMOGRAPHY OFFICE, PROGRAM COSTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$567,591	\$468,243	\$80,958	\$0	\$18,390	6.0
<b>TOTAL</b>	<b>\$567,591</b>	<b>\$468,243</b>	<b>\$80,958</b>	<b>\$0</b>	<b>\$18,390</b>	<b>6.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$567,591	\$468,243	\$80,958	\$0	\$18,390	6.0
Annualize prior year legislation	18	0	18	0	0	0.0
<b>TOTAL</b>	<b>\$567,609</b>	<b>\$468,243</b>	<b>\$80,976</b>	<b>\$0</b>	<b>\$18,390</b>	<b>6.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$18</b>	<b>\$0</b>	<b>\$18</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$568,128</b>	<b>\$468,243</b>	<b>\$81,495</b>	<b>\$0</b>	<b>\$18,390</b>	<b>6.0</b>
Request Above/(Below) Recommendation	\$519	\$0	\$519	\$0	\$0	0.0

### INDIRECT COST ASSESSMENT

This line reflects the amount of statewide and departmental indirect cost assessments within the State Demography Office. Statewide indirect cost assessments are charged to cash and federal programs for

statewide overhead costs (such as those generated by the Department of Personnel), and then the assessments are used in administrative divisions to offset General Fund appropriations. Departmental indirect cost assessments are charged to cash and federally funded programs for departmental overhead costs.

Indirect cost assessments are currently used to offset General Fund in the Executive Director's Office.

*STATUTORY AUTHORITY:* Colorado Fiscal Rules #8-3; Section 24-75-1401, C.R.S. [Indirect Costs Excess Recovery Fund]

*REQUEST:* The Department requests \$16,293 total funds (13,277 cash funds and \$3,016 reappropriated funds).

*RECOMMENDATION:* **Staff recommends approving the request, which is based on the Department's updated indirect cost plan.** [More information about the Department's indirect cost assessments is provided at the end of this packet.]



## (2) PROPERTY TAXATION

This section provides funding for the Division of Property Taxation, which issues appraisal standards and provides training and technical assistance to county assessors; values multi-county companies; and grants taxation exemptions. This section also provides funding for the State Board of Equalization, which supervises the administration of property tax laws by local county assessors, as well as the Board of Assessment Appeals, which hears petitions for appeal on valuation, abatements, exemptions, and valuation of state-assessed properties.

PROPERTY TAXATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2020-21 Appropriation</b>						
HB 20-1360 (Long Bill)	\$3,922,585	\$2,417,964	\$1,244,203	\$260,418	\$0	50.4
<b>TOTAL</b>	<b>\$3,922,585</b>	<b>\$2,417,964</b>	<b>\$1,244,203</b>	<b>\$260,418</b>	<b>\$0</b>	<b>50.4</b>
<b>FY 2021-22 RECOMMENDED APPROPRIATION</b>						
FY 2020-21 Appropriation	\$3,922,585	\$2,417,964	\$1,244,203	\$260,418	\$0	50.4
Indirect cost assessment	31,848	0	21,239	10,609	0	0.0
R8 Personal services reductions	(49,658)	(49,658)	0	0	0	(1.0)
<b>TOTAL</b>	<b>\$3,904,775</b>	<b>\$2,368,306</b>	<b>\$1,265,442</b>	<b>\$271,027</b>	<b>\$0</b>	<b>49.4</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$17,810)</b>	<b>(\$49,658)</b>	<b>\$21,239</b>	<b>\$10,609</b>	<b>\$0</b>	<b>(1.0)</b>
Percentage Change	(0.5%)	(2.1%)	1.7%	4.1%	0.0%	(2.0%)
<b>FY 2021-22 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$38,818)	\$0	(\$28,209)	(\$10,609)	\$0	(0.0)

### DECISION ITEMS – PROPERTY TAXATION

The Department did not submit any decision items solely affecting this division.

### LINE ITEM DETAIL — PROPERTY TAXATION

#### DIVISION OF PROPERTY TAXATION

The Property Tax Administrator is a constitutionally created position, responsible for administering property tax laws under the supervision and control of the State Board of Equalization. The Property Tax Administrator is head of the Division of Property Taxation. The key statutory responsibilities that drive the Division's workload are carried out by four sections:

- The *Appraisal Standards Section* ensures property tax equity by issuing appraisal standards and training county assessors.
- The *Administrative Resources Section* prepares and publishes administrative manuals, procedures, and instructions for assessors' offices.
- The *Exemptions Section* grants exemptions from taxation for charities, churches, and other eligible entities to assure a standardization of exemptions.
- The *State Assessments Section* performs original valuations of multi-county companies in Colorado, including railroads, pipelines, and other utilities.

The Division is supported by General Fund, fees for approving property tax exemptions<sup>2</sup>, and mineral and energy impact funds.

The line item supports 37.2 FTE, including:

- 3.0 FTE for management and administration;
- 8.0 FTE for the appraisal standards section;
- 11.1 FTE for the administrative resources section;
- 11.1 FTE for the exemptions section; and
- 4.0 FTE for the state assessments section.

*STATUTORY AUTHORITY:* Section 15 of Article X of the State Constitution; Article 2 of Title 39, C.R.S.

*REQUEST:* The Department requests \$3,042,370 total funds (including \$1,817,236 General Fund) and 36.2 FTE. The request includes a decrease of \$49,658 General Fund and 1.0 FTE as requested in R8 Personal Services Reductions.

*RECOMMENDATION:* **Staff recommends approving the request**, which includes a recommendation to approve R8 as discussed on page 8 of this document.

PROPERTY TAXATION, DIVISION OF PROPERTY TAXATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$3,092,028	\$1,866,894	\$992,358	\$232,776	\$0	37.2
<b>TOTAL</b>	<b>\$3,092,028</b>	<b>\$1,866,894</b>	<b>\$992,358</b>	<b>\$232,776</b>	<b>\$0</b>	<b>37.2</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$3,092,028	\$1,866,894	\$992,358	\$232,776	\$0	37.2
R8 Personal services reductions	(49,658)	(49,658)	0	0	0	(1.0)
<b>TOTAL</b>	<b>\$3,042,370</b>	<b>\$1,817,236</b>	<b>\$992,358</b>	<b>\$232,776</b>	<b>\$0</b>	<b>36.2</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$49,658)</b>	<b>(\$49,658)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(1.0)</b>
Percentage Change	(1.6%)	(2.7%)	0.0%	0.0%	0.0%	(2.7%)
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$3,042,370</b>	<b>\$1,817,236</b>	<b>\$992,358</b>	<b>\$232,776</b>	<b>\$0</b>	<b>36.2</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(0.0)

## STATE BOARD OF EQUALIZATION

The State Board of Equalization ("State Board") consists of five members:

- The Governor (or his or her designee).
- The Speaker of the House of Representatives (or his or her designee).
- The President of the Senate (or his or her designee).
- Two members appointed by the Governor with the consent of the Senate.

<sup>2</sup> Since FY 2010-11, filing fees for applications for exemptions from taxation have been \$175 per exemption application, \$75 for timely filed exempt property reports, and \$250 for exempt property reports filed after the April 15 deadline.

The State Board supervises the administration of property taxation laws by local county assessors. In this regard, the State Board meets at least once annually to review real and personal property valuations, hear complaints concerning valuation (including petitions by tax-levying authorities), redirect assessments, and set the residential assessment ratio. The Board also approves training manuals, appraisal standards, and written instructions issued by the Property Tax Administrator.

During each property tax year, an assessment study is conducted to determine whether county assessors have complied with constitutional and statutory property tax provisions. The State Board is responsible for ordering a reappraisal of affected classes of property that were not properly assessed. The State Board also appoints the Property Tax Administrator.

The Constitution requires the General Assembly to provide by statute for the compensation of State Board members. State Board members receive \$50 per day for each day spent attending State Board meetings or hearings, as well as reimbursement for actual and necessary expenses incurred in performing State Board duties. This line item funds the Board's direct operating expenses, including \$50 per diem payments and expense reimbursements.

*STATUTORY AUTHORITY:* Section 15 of Article X of the State Constitution; and Article 9 of Title 39, C.R.S.

*REQUEST:* The Department requests \$12,856 General Fund.

*RECOMMENDATION:* **Staff recommends approving the Department's request** for a continuation level of \$12,856 General Fund.

## BOARD OF ASSESSMENT APPEALS

The Board of Assessment Appeals is a quasi-judicial body that operates as a "type 1" agency within DOLA. The Board hears appeals by individual taxpayers who disagree with county boards of equalization, county boards of commissioners, and the Property Tax Administrator on the valuation of real and personal property, property tax abatements (reductions), and property tax exemptions. State assessed properties and exemptions are first appealed to the Property Tax Administrator. These cases may then be appealed to the Board. Appeals to the Board must be made in writing within 30 days of the decision that is being appealed. After the appeal is docketed, a receipt of appeal is sent to the Petitioner. A notice of hearing is mailed to all parties at least 30 days prior to the scheduled hearing. The Board's decision is transmitted in a written order and mailed to all parties, and is posted on the Board's website. Board decisions may be appealed to the Colorado Court of Appeals.

Each Board member must be registered, certified, or licensed as an appraiser. The Board must consist of at least three members, and an additional six members may be appointed based on workload. There are currently eight members. All Board members are employees of the State who are appointed by the Governor, with the consent of the Senate, and serve at the pleasure of the Governor. As employees of the State, they are entitled to benefits such as health, life and dental, short-term disability, and PERA. Compensation is based on a statutory rate of \$150 per day. Board members often have private sector employment in addition to their duties on the Board. This line item supports 13.2 FTE, including the eight board members and 5.2 FTE staff.

In recent years, the number of appeals heard by the Board has ranged from 1,300 to nearly 4,000 cases per year, depending upon whether it is an assessment or non-assessment year. In FY 2018-2019 (a non-assessment year so the number of appeals filed is lower), the Board received 1,338 appeals, and resolved 2,644 appeals. In FY 2019-20 (an assessment year so the number of appeals filed is higher), the Board received 3,736 appeals, and resolved 3,239 appeals. Cases are typically resolved within one year.

The Board is partially supported by statutory filing fees that are credited to the Board of Assessment Appeals Cash Fund.<sup>3</sup> Reappropriated funds are from statewide indirect cost recoveries. The Department spends the full amount of available cash fund revenues before spending reappropriated funds or General Fund.

*STATUTORY AUTHORITY:* Sections 39-2-123 and 125, C.R.S.

*REQUEST:* The Department requests \$658,826 total funds (including \$538,214 General Fund) and 13.2 FTE.

*RECOMMENDATION:* **Staff recommends approving the request** for a continuation level of funding. The Board of Assessment Appeals Cash Fund had a fund balance of \$181,056 at the end of FY 2019-20. If the Committee approves the request, the Department projects a fund balance of \$127,569 at the end of FY 2021-22.

## INDIRECT COST ASSESSMENT

This line reflects the amount of statewide and departmental indirect cost assessments within this division. Statewide indirect cost assessments are charged to cash and federal programs for statewide overhead costs (such as those generated by the Department of Personnel), and then the assessments are used in administrative divisions to offset General Fund appropriations. Departmental indirect cost assessments are charged to cash and federally funded programs for departmental overhead costs.

Indirect cost assessments are currently used to offset General Fund in the Executive Director's Office.

*STATUTORY AUTHORITY:* Colorado Fiscal Rules #8-3; Section 24-75-1401, C.R.S. [Indirect Costs Excess Recovery Fund]

*REQUEST:* The Department requests \$151,905 total funds.

*RECOMMENDATION:* **Staff recommends appropriating \$190,723 total funds based on the Department's updated indirect cost plan.** [More information about the Department's indirect cost assessments is provided at the end of this packet.]

---

<sup>3</sup> Fees are currently \$101.25 per property for a person who is represented. For a person representing him or herself, filing is free for the first two filings per year and \$33.75 thereafter.

PROPERTY TAXATION, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$158,875	\$0	\$131,233	\$27,642	\$0	0.0
<b>TOTAL</b>	<b>\$158,875</b>	<b>\$0</b>	<b>\$131,233</b>	<b>\$27,642</b>	<b>\$0</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$158,875	\$0	\$131,233	\$27,642	\$0	0.0
Indirect cost assessment	31,848	0	21,239	10,609	0	0.0
<b>TOTAL</b>	<b>\$190,723</b>	<b>\$0</b>	<b>\$152,472</b>	<b>\$38,251</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>						
<b>Percentage Change</b>	<b>20.0%</b>	<b>0.0%</b>	<b>16.2%</b>	<b>38.4%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>FY 2021-22 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$38,818)	\$0	(\$28,209)	(\$10,609)	\$0	0.0

### (3) DIVISION OF HOUSING

The Division of Housing (DoH) provides financial and technical assistance designed to increase the availability of housing to individuals with a low income, individuals with disabilities, and elderly individuals. Financial assistance programs include State and federal grants, loans, loan guarantees, equity investments, and subordinated debt for construction or rehabilitation of affordable housing. The Division provides technical assistance to local communities, including assisting communities to identify housing needs and to apply for and secure available private and public financing for housing projects. The Division develops and updates various studies on the availability and affordability of housing in Colorado. Finally, the Division works with local governments to reform local development and building regulations in ways that lower housing production costs. The Division consists of three subsections:

- *Community and Non-Profit Services* includes centrally located staff that provide services for administering the Division and services directly supported in the community. The community programs are partnerships with community service and non-profit agencies throughout the state.
- *Field Services* reflects the Division's outreach and technical assistance activities throughout the state. These staff are stationed at various locations statewide and they assist local communities in developing affordable housing, oversee private activity bond incentives, and regulates the residential and non-residential factory-built industry in Colorado.
- *Indirect Cost Assessment* includes the Department's assessment of indirect cost recoveries from cash, reappropriated, and federal fund sources used in this division.

DIVISION OF HOUSING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2020-21 Appropriation</b>						
HB 20-1360 (Long Bill)	\$110,685,005	\$22,291,059	\$17,470,015	\$2,217,615	\$68,706,316	69.1
<b>TOTAL</b>	<b>\$110,685,005</b>	<b>\$22,291,059</b>	<b>\$17,470,015</b>	<b>\$2,217,615</b>	<b>\$68,706,316</b>	<b>69.1</b>
<b>FY 2021-22 RECOMMENDED APPROPRIATION</b>						
FY 2020-21 Appropriation	\$110,685,005	\$22,291,059	\$17,470,015	\$2,217,615	\$68,706,316	69.1
Annualize prior year budget actions	12,696	0	0	12,696	0	0.0
Annualize prior year legislation	917,988	552,861	0	365,097	30	1.7
Staff-initiated informational line item	505,540	0	505,540	0	0	4.8
Indirect cost assessment	161,830	0	25,272	171,647	(35,089)	0.0
R4 Affordable Housing Funds adjustment	0	0	0	0	0	0.0
R8 Personal services reductions	(75,000)	(75,000)	0	0	0	0.0
Technical adjustments	(790,514)	0	0	(790,514)	0	(2.4)
<b>TOTAL</b>	<b>\$111,417,545</b>	<b>\$22,768,920</b>	<b>\$18,000,827</b>	<b>\$1,976,541</b>	<b>\$68,671,257</b>	<b>73.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$732,540</b>	<b>\$477,861</b>	<b>\$530,812</b>	<b>(\$241,074)</b>	<b>(\$35,059)</b>	<b>4.1</b>
Percentage Change	0.7%	2.1%	3.0%	(10.9%)	(0.1%)	5.9%
<b>FY 2021-22 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$4,578,818)	(\$4,544,371)	(\$535,455)	\$482,518	\$18,490	(4.1)

## DECISION ITEMS – DIVISION OF HOUSING

## → R4 AFFORDABLE HOUSING FUNDS ADJUSTMENT

The Department requests a one-time reduction of \$4,544,962 General Fund to the Affordable Housing Construction Grants and Loans line item, and a corresponding reduction of \$136,349 reappropriated funds and 1.7 FTE in the Affordable Housing Program Costs line.

**RECOMMENDATION:** Staff recommends denying the request, unless the Committee again needs to apply significant budget reductions statewide.

*ANALYSIS:*

The Department has identified this option for General Fund savings with the expectation that it will receive a more than offsetting influx of affordable housing funds in FY 2021-22 from transfers related to recent legislation. House Bill 19-1245 (Affordable Housing Funding from Vendor Fee Changes) made changes to the State's vendor fee that resulted in additional sales tax revenue to the State, including a transfer to the Housing Development Grant Fund (HDGF) at the end of each fiscal year. House Bill 20-1427 (Cigarette Tobacco and Nicotine Products Tax), approved by voters in the November 2020 General Election, estimates that \$11.2 million will be transferred to the HDGF in FY 2020-21 through FY 2022-23. Additionally, up to \$30.0 million could be transferred from the Unclaimed Property Trust Fund to the HDGF in FY 2022-23 pursuant to H.B. 19-1322 (Expand Supply of Affordable Housing) if certain criteria are met. Recent appropriations and estimated transfers are shown in the table below.

HOUSING DEVELOPMENT GRANT FUND HISTORY AND FORECAST WITHOUT R4					
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Appropriations</b>					
General Fund	\$9,200,000	\$9,200,000	\$9,200,000	\$9,200,000	\$9,200,000
Marijuana Tax Cash Fund	15,300,000	15,300,000	15,300,000	15,300,000	15,300,000
<b>Transfers</b>					
H.B. 19-1245 <sup>1</sup>	\$0	\$1,168,498	\$10,900,000	\$52,600,000	\$54,200,000
H.B. 20-1427 <sup>2</sup>	0	0	11,200,000	11,200,000	11,200,000
H.B. 19-1322 & 20-1370 <sup>3</sup>	0	0	0	0	30,000,000
<b>TOTAL</b>	<b>\$24,500,000</b>	<b>\$25,668,498</b>	<b>\$46,600,000</b>	<b>\$88,300,000</b>	<b>\$119,900,000</b>

<sup>1</sup> FY 2020-21 and later years are based on Legislative Council Staff's December 2020 forecast. The FY 2019-20 amount is based on information from the Department of Revenue as of February 8, 2021; the Department discovered a GenTax error that previously showed the HDGF was not entitled to a FY 2019-20 transfer.

<sup>2</sup> Based on Legislative Council Staff's Final Fiscal Note dated September 29, 2020.

<sup>3</sup> Legislative Council Staff's December 2020 forecast.

Despite the large influx of money to the HDGF due to recent legislation, staff recommends denying the request on the grounds that it is counterintuitive to reduce funding for an issue that the General Assembly has been consistently increasing funding for in recent legislative sessions. Additionally, the COVID-19 pandemic has resulted in significant financial hardship on Coloradans and exacerbated affordable housing issues.

**→ STAFF-INITIATED INFORMATIONAL LINE ITEM**

*REQUEST:* The Department did not request this action, but is supportive of staff's recommendation.

*RECOMMENDATION:* **Staff recommends the addition of a line item for Mobile Home Park Act Oversight and an appropriation of \$505,540 cash funds and 4.8 FTE from the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund for FY 2021-22.** This fund is continuously appropriated pursuant to Section 38-12-110 (1), C.R.S., and appropriations shown in the Long Bill would be for informational purposes only. Additionally, staff recommends reflecting expenditures for Mobile Home Park Act Oversight in other affected line items - Legal Services and Administrative Law Judge Services.

*ANALYSIS:*

The Mobile Home Park Act Dispute Resolution and Enforcement Program and corresponding cash fund was created by H.B. 19-1309 (Mobile Home Park Oversight Act). The act provides a statutory framework for mobile home owners, mobile home park owners, and mobile home park managers to submit complaints for dispute resolution through the Division of Housing, instead of taking issues to court. The Division of Housing's requirements under the Program include:

- conducting outreach and education on mobile home park laws;
- registering all mobile home parks annually;
- receiving and investigating complaints;
- facilitating dispute resolution between mobile home owners and mobile home park landlords;
- determining whether violations of the law have occurred and taking enforcement actions; and
- engaging in public rulemaking to clarify the law.

This program is supported by fees that are deposited in the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund. House Bill 19-1309 did not include an appropriation to the Department of Local Affairs to administer the program because the fund is continuously appropriated. Costs associated with this program were therefore not reflected in the FY 2020-21 Long Bill. Staff is recommending reflecting the Mobile Home Park Act Dispute Resolution and Enforcement Program's operations in the Long Bill for information purposes to provide more detail on the scope of the Division's work, in addition to simplifying corresponding legal expenditures for tracking purposes.

## LINE ITEM DETAIL — DIVISION OF HOUSING

### (A) COMMUNITY AND NON-PROFIT SERVICES

This subdivision encompasses activities headquartered at the main Division of Housing office in Denver. This includes the administration of the Division and oversight of services that are managed in the community through partnerships with community service and non-profit agencies. This section is also responsible for coordinating the allocation of Private Activity Bonds (tax-exempt bonds) through the work of the Private Activity Bond Allocation Committee.



## (I) ADMINISTRATION

## PERSONAL SERVICES

This line item provides funding for overall division administration, including division management, budget, research, and accounting staff, as well as centrally located Department staff who oversee homeless prevention rental subsidy programs. Cash funds sources include the Homeless Prevention Activities Program Fund and the Private Activity Bond Allocations Fund. Reappropriated sources are from the Local Government Mineral and Energy Impact Grants and Disbursements line item and originate as Local Government Severance and Mineral Impact funds. Federal funds are comprised primarily of administrative allocations for the housing choice voucher (“section 8”) rental subsidy program.

The line item supports 28.6 FTE, including:

- 8.0 FTE for management and administration;
- 18.3 FTE for administration of low-income rental subsidies;
- 1.0 FTE for the income tax credit for retrofitting a residence (HB 18-1267); and
- 1.3 FTE who oversee homeless prevention programs.

In addition, the 1.0 FTE associated with the Fort Lyon program is functionally managed in this section although appropriated in the Fort Lyon line item.

*STATUTORY AUTHORITY:* Section 24-32-705, C.R.S.

*REQUEST:* The Department requests \$2,581,403 total funds (including \$475,503 General Fund) and 28.6 FTE. The request includes a decrease of \$75,000 General Fund associated with R8, the out-year impacts for S.B. 18-200, and the out-year impacts of FY 2019-20 NP1/HCPF R14 Community Living.

*RECOMMENDATION:* **Staff recommends \$2,579,962 total funds (including \$474,912 General Fund).** The recommendation includes the reduction associated with R8, discussed on page 8 of this document.

DIVISION OF HOUSING, COMMUNITY AND NON-PROFIT SERVICES, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$2,642,215	\$549,891	\$74,576	\$53,829	\$1,963,919	28.6
<b>TOTAL</b>	<b>\$2,642,215</b>	<b>\$549,891</b>	<b>\$74,576</b>	<b>\$53,829</b>	<b>\$1,963,919</b>	<b>28.6</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$2,642,215	\$549,891	\$74,576	\$53,829	\$1,963,919	28.6
Annualize prior year budget actions	12,696	0	0	12,696	0	0.0
Annualize prior year legislation	51	21	0	0	30	0.0
R8 Personal services reductions	(75,000)	(75,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$2,579,962</b>	<b>\$474,912</b>	<b>\$74,576</b>	<b>\$66,525</b>	<b>\$1,963,949</b>	<b>28.6</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$62,253)</b>	<b>(\$74,979)</b>	<b>\$0</b>	<b>\$12,696</b>	<b>\$30</b>	<b>0.0</b>
Percentage Change	(2.4%)	(13.6%)	0.0%	23.6%	0.0%	0.0%

DIVISION OF HOUSING, COMMUNITY AND NON-PROFIT SERVICES, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$2,581,403</b>	<b>\$475,503</b>	<b>\$74,576</b>	<b>\$66,525</b>	<b>\$1,964,799</b>	<b>28.6</b>
Request Above/(Below) Recommendation	\$1,441	\$591	\$0	\$0	\$850	(0.0)

## OPERATING EXPENSES

This line item funds the operating expenses of the Division. Common operating expenses for the Division include postage, equipment maintenance, and in-state travel. The majority of funds are federal administrative allocations for the Housing Choice Voucher (“Section 8”) rental subsidy program.

*STATUTORY AUTHORITY:* Section 24-32-705, C.R.S.

*REQUEST:* The Department requests a \$449,583 total funds (including \$40,165 General Fund).

*RECOMMENDATION:* **Staff recommends approving the request**, which is a continuation level of funding.

## (II) COMMUNITY SERVICES

### LOW INCOME RENTAL SUBSIDIES

This line item supports programs that provide rental subsidies for low-income populations. The Division functions as a statewide public housing authority that primarily serves individuals and families with very low incomes, people with disabilities, and people who are homeless. In this role, the Division administers a number of the state and federal rental assistance programs that target different populations.

The largest program is the federal Department of Housing and Urban Development’s (HUD’s) “Housing Choice Voucher Program” (formerly called “Section 8”), which allocates about 5,000 vouchers to the Division and about 25,000 vouchers to local public housing authorities. Federal vouchers that are allocated to and administered by local housing authorities and are not reflected in the State budget. While local housing authorities generally focus on serving low-income populations, approximately 85 percent of the Department’s vouchers support individuals with disabilities.

Pursuant to H.B. 11-1230, the Department of Local Affairs took responsibility for federal housing assistance vouchers previously administered by the Department of Human Services for special populations (e.g., individuals with a behavioral health disorder). Funding supports both rental subsidies and administration expenses. For example, the Department currently has offices in 14 of the 17 Community Mental Health Centers; the remaining three Centers have memorandums of understanding with local housing authorities. The Department contracts with the Centers to staff the office, and it pays a monthly fee of about \$30 per voucher for related administrative work by Center. The Department has similar arrangements with Community Centered Boards and Independent Living Centers. These local offices allocate both state and federal vouchers.

The Division administers two state-funded voucher programs:

- Since FY 2013-14, the Division has administered a voucher program specifically for people who are either transitioning out of one of the State's Mental Health Institutes or who are at risk of needing inpatient psychiatric care. The full \$950,000 that was initially appropriated for this purpose has been allocated, and the Department is now utilizing a portion of the \$15.3 million appropriated from the Marijuana Tax Cash Fund to support the housing needs of additional individuals who are discharged from an Institute.
- Since FY 2014-15, the Division has administered "Community Choice Transitions" vouchers for individuals who are transitioning from nursing homes or long-term care facilities. The Department of Local Affairs (DOLA) partners with the Department of Health Care Policy and Financing (HCPF) to identify clients who are living in a nursing or long-term care facility and who are able to and interested in moving to the community. Transitioning clients may receive home and community-based services and supports through HCPF and assistance in finding and paying for housing through DOLA.

*STATUTORY AUTHORITY:* Section 24-32-705 (1)(t), C.R.S. [Division's role in administering and distributing financial housing assistance to persons in low- and moderate-income households and persons with disabilities]; Section 25.5-6-1501 (1)(d), C.R.S. [Colorado Choice Transition program housing vouchers]

*REQUEST:* The Department requests \$59,763,554 total funds (including \$7,347,868 General Fund), which includes the out-year impacts of H.B. 18-1326 (Support for Transition from Institutional Settings).

*RECOMMENDATION:* **Staff recommends approving the request.**

DIVISION OF HOUSING, COMMUNITY AND NON-PROFIT SERVICES, LOW INCOME RENTAL SUBSIDIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$59,210,714	\$6,795,028	\$939,649	\$0	\$51,476,037	0.0
<b>TOTAL</b>	<b>\$59,210,714</b>	<b>\$6,795,028</b>	<b>\$939,649</b>	<b>\$0</b>	<b>\$51,476,037</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$59,210,714	\$6,795,028	\$939,649	\$0	\$51,476,037	0.0
Annualize prior year legislation	552,840	552,840	0	0	0	0.0
<b>TOTAL</b>	<b>\$59,763,554</b>	<b>\$7,347,868</b>	<b>\$939,649</b>	<b>\$0</b>	<b>\$51,476,037</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$552,840</b>	<b>\$552,840</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.9%	8.1%	0.0%	0.0%	0.0%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$59,763,554</b>	<b>\$7,347,868</b>	<b>\$939,649</b>	<b>\$0</b>	<b>\$51,476,037</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## HOMELESS PREVENTION PROGRAMS

This line supports homeless prevention activities, and is supported by:

- the federal Emergency Shelter Grant; and

- the state Homeless Prevention Activities Program Fund, which receives revenue from the state income tax “check-off” for homeless prevention activities.

State income tax checkoff revenues for state homeless prevention activities are to be used for direct services such assistance in avoiding eviction to people who are homeless or in danger of becoming homeless, with up to 5.0 percent or \$15,000 (whichever is greater) for related administrative costs. An advisory committee, created in statute, provides recommendations to DOLA’s Executive Director on the allocation of homeless prevention grants.

*STATUTORY AUTHORITY:* Section 24-32-705 (1)(i), C.R.S. [authority to receive grants]; Sections 26-7.8-101, et seq., and 39-22-1302, C.R.S. [Homeless Prevention Activities Program Fund]

*REQUEST:* The Department requests \$1,984,430 total funds, including \$170,000 cash funds and the balance from federal funds.

*RECOMMENDATION:* **Staff recommends approving the request**, which is a continuation level of funding.

### (III) FORT LYON SUPPORTIVE HOUSING PROGRAM

#### PROGRAM COSTS

##### Program Description

This line item supports the Fort Lyon Supportive Housing Program, which is located at the historic Fort Lyon campus in the rural town of Las Animas. This facility was previously the Fort Lyon Veterans Administration Hospital (from 1922 to 2001) and a state prison (decommissioned in 2012). The Division of Housing is responsible for managing the program. The Division contracts with the Colorado Coalition for the Homeless to administer the program’s residential and supportive services, and with Bent County for facility maintenance and operations. The current appropriation includes \$2.6 million for the contract with the Colorado Coalition for the Homeless, \$2.1 million for the contract with Bent County, and the remainder for the Division of Housing for oversight and contingencies. Although the cost of the program has not changed significantly, through FY 2015-16 a portion was covered through custodial funds from the 2012 Mortgage Servicing Settlement.

The staff at Colorado Coalition for the Homeless (CCH) that administer the Program includes a four-member team that provides onsite leadership and 31 additional staff members both on- and off-site. In 2020, this support staff included:

- nine case managers;
- four peer mentors;
- four kitchen staff;
- six administrative staff;
- two reintegration specialists;
- three security staff;
- one referral coordinator;
- one benefits specialist; and
- one discharge planner.

The Division of Housing's Fort Lyon Program Manager visits monthly for a site visit to meet with program leaders, participants, and Bent County officials, and to attend special events. Starting in 2016, the contract between the Division of Housing and the Colorado Coalition for the Homeless set program participation levels at 250 on average each month, with up to a ten percent vacancy rate.

Participants must be referred by a homelessness service organization or health care provider, or any other public or non-profit agency that works directly with homeless persons and who will follow up with that individual after he or she leaves the Program. To increase referrals, CCH staff members visited the State's Continuum of Care regions during 2017 to educate and disseminate information about the Fort Lyon Program. These entities coordinate housing and services for homeless families and individuals. The CCH staff have also worked to streamline the referral process and to reinforce their relationships with referral sources in order to support participants' community reintegration. Client participation is voluntary and cannot be court-ordered. Program entrance requirements are:

- 1 Be homeless or at imminent risk of homelessness.
- 2 Be at least 21 years or older and a resident of Colorado.
- 3 Have a documented substance use disorder and express a strong motivation and desire to change.
- 4 Be detoxed prior to program entry – meeting the American Society of Addiction Medicine (ASAM) Level I Detox Criteria. (The ASAM criteria provide guidelines for placement, continued stay and transfer/discharge of patients with addiction and co-occurring problems.)
- 5 If there is a mental health diagnosis, participants must have stable symptoms and have a 30-day supply of all prescription medications at the time of transportation to the Fort Lyon campus.
- 6 If there are chronic health conditions, participants must be medically cleared to enter the Program and have a 30-day supply of any required medication.
- 7 Must not have open warrants or cases, be a registered sex offender, or have a history of sexual offenses or recent violent offenses.
- 8 Must agree to live in a communal living environment and comply with the Resident Handbook and Fort Lyon Policies and Procedures.

Following an intake process designed to screen for readiness, participants are scheduled for the next available opening on a van to Fort Lyon (usually about a week).

Program participants receive housing, food, and access to a variety of supportive services, with a focus on substance use and its role in chronic homelessness. The Program has zero tolerance substance abuse and violent behavior policies. The Program is operated using three key service models:

- *Trauma informed care*, which recognizes that homelessness may be both the cause and result of trauma
- *Peer support*, which incorporates social support for recovery
- *On-demand transitional recovery housing* that is voluntary, driven by client choice, entails minimal service requirements, and is accessible without an extensive wait period

On-site services include case management, vocational and educational training, support groups, peer mentoring, and permanent housing reintegration. Participants can access additional resources through

partner programs or independently in local communities (e.g., attending church, accessing social services, attending community college courses, etc.). The Fort Lyon Health Clinic, a U.S. Department of Health and Human Services' Health Resource and Service Administration-funded Health Care for the Homeless Clinic, provides integrated primary and behavioral health services for the five-county region. When a certain health care need cannot be met timely at the Fort Lyon Health Clinic or within the local community, participants are provided transportation to Pueblo for those services. Fort Lyon Program participants are eligible for Medicaid, which covers the cost of medical and behavioral health services.

The Program is designed as a two-year program, but participants are not required to stay for any specific length of time and may stay for up to three years. For the first 30 days, participants are encouraged to focus on rest, becoming physically healthy, and obtaining deferred medical treatment. They are required to attend the New Beginnings education program and to attend a morning community meeting three days a week; they are not allowed to leave campus. After 30 days, participants may leave the campus during the day and after 90 days may request an overnight pass. In 2017 a life skills program was added that emphasizes basic knowledge essential to independent living (budgeting, establishing leases and accounts, etc.). Participants may also participate in paid work on campus (up to 10 hours per week at minimum wage), and some participants have employment in the surrounding communities.

Currently, "Program completion" is defined as occurring when a participant exits to permanent housing when they leave the Fort Lyon Program and attains one or more personal goals identified in his or her Goals and Outcomes Plan. Previously, participants self-determined when they completed the program, using their progress in meeting their goals and outcomes as a guide.

Case managers and other Program staff identify paperwork, credentials, and benefit applications that each participant needs. Other personnel assist participants in finding transitional or permanent supportive housing. Upon leaving, a participant may also become part of Friends of Fort Lyon, a support network of alumni that provides continued recovery and social support. Program staff have continued to develop program support for participants' transitions into permanent housing and independent living. Members of the Resource Team stated that participants now have a better understanding of what it takes to move out into a community and more confidence throughout the transition. There are also clearer expectations on the part of the participant and the referral source.

Between July 2018 and June 2019 (the most recent report available), the Program served 468 individuals, averaging 201 people per month. The majority of participants were white males between 35 and 54 years of age, and 12 percent were veterans. A total of 272 residents (58 percent) exited during the year; residents who left during the year were enrolled in the program for eight months on average. Thirty-nine percent of residents who exited during the year completed the program. The other common reasons were non-compliance due to substance use and disagreement with rules/persons, which includes self-discharges. Of the 468 individuals served in FY 2018-19, 62 percent of all residents exited to a permanent or transitional housing destination, and 75 percent of residents were stably housed six months post-program.

*STATUTORY AUTHORITY:* Section 24-32-724 (2), C.R.S.

*REQUEST:* The Department requests \$4,996,662 General Fund and 1.0 FTE.

**RECOMMENDATION:** Staff recommends approving the request, which is a continuation level of funding.

## (B) FIELD SERVICES

### AFFORDABLE HOUSING PROGRAM COSTS

This line item funds the affordable housing program, which focuses on providing outreach and technical assistance throughout the state. This line item currently supports 32.2 FTE, including:

- 12.2 FTE for management, budget, research, database management, and administrative support;
- 16.0 FTE for staff located throughout the state who assist local governments in development and management of affordable housing projects;
- 2.0 FTE to oversee the home modification benefit for individuals enrolled in Medicaid Home and Community-based Services (HCBS) programs;
- 1.0 FTE to oversee housing assistance for persons transitioning from the criminal or juvenile justice systems; and
- 1.0 FTE for oversight of the private activity bond program.

**STATUTORY AUTHORITY:** Section 24-32-705 (1), C.R.S.

**REQUEST:** The Department requests \$2,936,079 total funds (including \$209,313 General Fund) and 32.2 FTE. The request includes the out-year impacts of H.B. 19-1245 (Affordable Housing Funding from Vendor Fee Changes) and a decrease of \$136,349 reappropriated funds and 1.7 FTE as part of the R4 request.

**RECOMMENDATION:** Staff recommends \$2,281,914 total funds, including \$209,313 General Fund, \$80,087 cash funds, \$1,391,224 reappropriated funds, \$601,290 federal funds, and 31.5 FTE. This differs from the request amount for two reasons:

- Staff's recommendation to deny R4, as discussed on page 27. If R4 is approved, an additional \$136,349 reappropriated funds and 1.7 FTE should be deducted in order to reflect the reduced General Fund appropriation.
- The Department is allowed to spend annually on administrative costs up to three percent of the money *appropriated* to the Housing Development Grant Fund. The Department's FY 2020-21 appropriation and FY 2021-22 request include reappropriated administrative costs associated with *transfers* from H.B. 19-1245. Because the transferred funds are not reflected in the Long Bill, staff recommends removing associated costs from the this line item so that it more accurately reflects administrative costs based only on the *appropriated* amount of funds to the HDGF and other administrative costs throughout the Field Services subdivision (\$735,000 for appropriated funds to the HDGF and \$656,224 for other programs). Additionally, staff recommends a Request for Information (discussed on page 80) to document the administrative expenses associated with transfers to the HDGF in FY 2020-21. The Department is supportive of these changes.

DIVISION OF HOUSING, FIELD SERVICES, AFFORDABLE HOUSING PROGRAM COSTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$2,707,331	\$209,313	\$80,087	\$1,816,641	\$601,290	32.2
<b>TOTAL</b>	<b>\$2,707,331</b>	<b>\$209,313</b>	<b>\$80,087</b>	<b>\$1,816,641</b>	<b>\$601,290</b>	<b>32.2</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$2,707,331	\$209,313	\$80,087	\$1,816,641	\$601,290	32.2
Annualize prior year legislation	365,097	0	0	365,097	0	1.7
R4 Affordable Housing Funds adjustment	0	0	0	0	0	0.0
Technical adjustments	(790,514)	0	0	(790,514)	0	(2.4)
<b>TOTAL</b>	<b>\$2,281,914</b>	<b>\$209,313</b>	<b>\$80,087</b>	<b>\$1,391,224</b>	<b>\$601,290</b>	<b>31.5</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$425,417)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$425,417)</b>	<b>\$0</b>	<b>(0.7)</b>
Percentage Change	(15.7%)	0.0%	0.0%	(23.4%)	0.0%	(2.2%)
FY 2021-22 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$654,165	\$0	\$0	\$654,165	\$0	0.7

## AFFORDABLE HOUSING CONSTRUCTION GRANTS AND LOANS

This line reflects federal and state funds used to promote development of affordable housing through grant and loan programs administered by the Department. Affordable housing in Colorado is generally developed and administered by local authorities, rather than by the State, and the majority of federal funds for affordable housing are distributed directly to local housing authorities. However, the State is a partner in affordable housing development initiatives throughout the state that are consistent with state housing priorities.

Most of the funding in this line item is for front-end construction support, which is typically tied to a requirement that the new housing serve those at 60 percent of area median income or below and remain affordable for at least 30 years. If it participates in a project, the Department typically serves as a “gap financier,” helping to buy down housing construction costs, as well as assisting locals to move the project forward. If they wish to access state funds, local housing authorities, and private for-profit and non-profit developers, submit a funding application that can apply to a number of the Division’s fund sources, including the Housing Grants and Loan Program, the Community Development Block Grant funds it administers, and Federal HOME grants, as well as some smaller sources of federal funds. Department staff determine whether the project is consistent with state priorities and feasible and identifies the most appropriate mix of funds. Recommendations are then submitted to the State Housing Board.

In FY 2020-21, the General Assembly appropriated \$9.2 million General Fund and \$15.3 million cash funds from the Marijuana Tax Cash Fund in this line item. These funds are being used for a mix of construction subsidies, rental vouchers, and related administrative costs. These funds are being used to serve individuals with behavioral health disorders, individuals transitioning from the justice system, and other populations at risk of homelessness.

*STATUTORY AUTHORITY:* Sections 24-32-705 [Division of Housing functions]; 24-32-717 [Housing Investment Trust Fund]; and 24-32-721 [Housing Development Fund], C.R.S.



Background Information – Statutory Authority Related to the Affordable Housing Construction Grants and Loans Line Item

Section 24-32-721, C.R.S., creates the Housing Development Grant Fund, which consists of money appropriated to the “Colorado Affordable Housing Construction Grants and Loan Fund” and federal grants and other contributions, gifts, grants, and donations received by the Division of Housing for purposes consistent with Section 24-32-721, C.R.S. Money in the Housing Development Fund is continuously appropriated to the Division for the purpose of making a *grant or loan* to “improve, preserve, or expand the supply of affordable housing in Colorado as well as to fund the acquisition of housing and economic data necessary to advise the [State Housing Board] on local housing conditions”. The Division is also authorized to:

- Annually transfer up to 20.0 percent of the Housing Development Fund balance to the Housing Investment Trust Fund, which is available for the Division to make loans for development or redevelopment costs for low- or moderate-income housing; and
- Spend up to 3.0 percent of the money appropriated from the Housing Development Fund for the Divisions’ related *administrative costs*.

Senate Bill 17-021 added subsection (4) to Section 24-32-721, C.R.S., to authorize the Division to establish a program that provides *rental vouchers* and *other support services* for housing assistance for a person with a mental health disorder or co-occurring behavioral health disorder who is transitioning from the Department of Corrections, the Division of Youth Corrections in the Department of Human Services, or a county jail into the community. This subsection also requires the Division to provide grants or loans for the acquisition, construction, or rehabilitation of rental housing for persons with behavioral or mental health disorders.

Finally, this subsection creates the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund to provide housing assistance for persons with behavioral or mental health disorders who are transitioning from incarceration, which appears in the following line item.

**REQUEST:** The Department requests a decrease of \$4,544,962 General Fund from the prior years’ appropriation (R4 Affordable Housing Funds adjustment) for a total of \$31,983,831, including:

- \$4,655,038 General Fund
- \$15,300,000 cash funds from the Marijuana Tax Cash Fund; and
- \$12,028,793 federal funds.

**RECOMMENDATION:** Staff recommends denying the R4 request and continuing the appropriation of \$9,200,000 General Fund, \$15,300,000 Marijuana Tax Cash Funds, and \$12,028,793 federal funds, as discussed in greater detail on page 28 of this document.

DIVISION OF HOUSING, FIELD SERVICES, AFFORDABLE HOUSING CONSTRUCTION GRANTS AND LOANS PURSUANT TO SECTION 24-32-721, C.R.S.						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$36,528,793	\$9,200,000	\$15,300,000	\$0	\$12,028,793	0.0
<b>TOTAL</b>	<b>\$36,528,793</b>	<b>\$9,200,000</b>	<b>\$15,300,000</b>	<b>\$0</b>	<b>\$12,028,793</b>	<b>0.0</b>

DIVISION OF HOUSING, FIELD SERVICES, AFFORDABLE HOUSING CONSTRUCTION GRANTS AND LOANS PURSUANT TO SECTION 24-32-721, C.R.S.						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$36,528,793	\$9,200,000	\$15,300,000	\$0	\$12,028,793	0.0
R4 Affordable Housing Funds adjustment	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$36,528,793</b>	<b>\$9,200,000</b>	<b>\$15,300,000</b>	<b>\$0</b>	<b>\$12,028,793</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>						
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>						
	<b>\$31,983,831</b>	<b>\$4,655,038</b>	<b>\$15,300,000</b>	<b>\$0</b>	<b>\$12,028,793</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$4,544,962)	(\$4,544,962)	\$0	\$0	\$0	0.0

## HOUSING ASSISTANCE FOR PERSONS TRANSITIONING FROM THE CRIMINAL OR JUVENILE JUSTICE SYSTEMS

This line item provides authority for the Division to spend money in the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund to provide housing assistance for persons with behavioral or mental health disorders who are transitioning from incarceration, consistent with S.B. 17-021 (Assistance to Released Mentally Ill Offenders). Originally, the source of funding was unspent General Fund money that was appropriated in the prior fiscal year for community corrections programs and services and reappropriated funds from the Department of Corrections, Community Services, Parole Subprogram, Parolee Housing Support line item appropriation. House Bill 20-1262 (Housing Assistance Justice System Transition Money) repealed the requirement that unspent appropriations for community corrections programs be credited to the Fund and subsequently be appropriated to DOLA. Instead, as was already authorized by statute, the General Assembly made an appropriation of \$500,000 General Fund directly to DOLA in the FY 2020-21 Long Bill for these services.

*STATUTORY AUTHORITY:* Section 24-32-721 (4)(d), C.R.S.

*REQUEST:* The Department requests a continuation level of \$500,000 General Fund.

*RECOMMENDATION:* **Staff recommends approving the request.**

## MANUFACTURED BUILDINGS PROGRAM

This line item supports the Department's Housing Technology and Standards section, which supports, licenses, and regulates the residential and non-residential factory-built industry in Colorado. This includes the registration and certification of manufacturers, dealers, and installation professionals statewide. This section also:

- administers the manufactured housing consumer complaint process;
- provides support for the adoption, enforcement, and compliance with the 2015 International Energy Conservation Code (IECC); and
- provides technical assistance concerning lead-based paint, mold, and asbestos in affordable housing projects.

This program is supported by fees, which are deposited in the Building Regulation Fund.

*STATUTORY AUTHORITY:* Sections 24-32-3301 to 3327, C.R.S.

*REQUEST:* The Department requests \$779,589 cash funds and 7.3 FTE, which is a continuation level of funding.

*RECOMMENDATION:* **Staff recommends approving the request.**

#### MOBILE HOME PARK ACT OVERSIGHT (NEW LINE ITEM)

This line item supports the Department's Mobile Home Park Dispute Resolution and Enforcement Program, established by H.B. 19-1309 (Mobile Home Park Oversight Act). Through this program, mobile home owners, mobile home park owners, and mobile home park managers can submit complaints for dispute resolution through the Division, instead of taking issues to court, which can be costly. The Division of Housing's requirements under the Program include:

- conducting outreach and education on mobile home park laws;
- registering all mobile home parks annually;
- receiving and investigating complaints;
- facilitating dispute resolution between mobile home owners and mobile home park landlords;
- determining whether violations of the law have occurred and taking enforcement actions; and
- engaging in public rulemaking to clarify the law.

This program is supported by fees that are deposited in the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund, which is continuously appropriated.

*STATUTORY AUTHORITY:* Sections 38-12-1101 to 38-12-1110, C.R.S.

*REQUEST:* The Department did not request the creation of this line item, but is supportive of staff's recommendation.

*RECOMMENDATION:* **Staff recommends an appropriation of \$505,540 cash funds and 4.8 FTE, per staff's analysis on page 29 of this document.**

## (C) INDIRECT COST ASSESSMENTS

## INDIRECT COST ASSESSMENTS

This line reflects the amount of statewide and departmental indirect cost assessments within this division. Statewide indirect cost assessments are charged to cash and federal programs for statewide overhead costs (such as those generated by the Department of Personnel), and then the assessments are used in administrative divisions to offset General Fund appropriations. Departmental indirect cost assessments are charged to cash and federally funded programs for departmental overhead costs.

The funds are currently used to offset General Fund in the Executive Director's Office, the Board of Assessment Appeals, and the Division of Local Government.

*STATUTORY AUTHORITY:* Colorado Fiscal Rules #8-3; Section 24-75-1401, C.R.S. [Indirect Costs Excess Recovery Fund]

*REQUEST:* The Department requests \$863,596 total funds.

*RECOMMENDATION:* **Staff recommends appropriating \$1,047,518 total funds based on the Department's updated indirect cost plan.** [More information about the Department's indirect cost assessment is provided at the end of this packet.]

DIVISION OF HOUSING, INDIRECT COST ASSESSMENTS, INDIRECT COST ASSESSMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$885,688	\$0	\$121,176	\$282,760	\$481,752	0.0
<b>TOTAL</b>	<b>\$885,688</b>	<b>\$0</b>	<b>\$121,176</b>	<b>\$282,760</b>	<b>\$481,752</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$885,688	\$0	\$121,176	\$282,760	\$481,752	0.0
Indirect cost assessment	161,830	0	25,272	171,647	(35,089)	0.0
<b>TOTAL</b>	<b>\$1,047,518</b>	<b>\$0</b>	<b>\$146,448</b>	<b>\$454,407</b>	<b>\$446,663</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$161,830</b>	<b>\$0</b>	<b>\$25,272</b>	<b>\$171,647</b>	<b>(\$35,089)</b>	<b>0.0</b>
Percentage Change	18.3%	0.0%	20.9%	60.7%	(7.3%)	0.0%
FY 2021-22 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$183,922)	\$0	(\$29,915)	(\$171,647)	\$17,640	0.0

## (4) DIVISION OF LOCAL GOVERNMENT

This Division provides information and training for local governments concerning budget development, purchasing, demographics, land use planning, and regulatory issues. This division also manages federal- and state-funded programs that support local government infrastructure and services. To provide this assistance to local governments, the Division operates eight field offices.

DIVISION OF LOCAL GOVERNMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2020-21 Appropriation</b>						
HB 20-1360 (Long Bill)	\$212,680,885	\$13,751,582	\$180,419,327	\$6,594,312	\$11,915,664	60.1
Other legislation	33,867,349	37,285,007	(5,259,386)	1,841,728	0	1.7
<b>TOTAL</b>	<b>\$246,548,234</b>	<b>\$51,036,589</b>	<b>\$175,159,941</b>	<b>\$8,436,040</b>	<b>\$11,915,664</b>	<b>61.8</b>
<b>FY 2021-22 RECOMMENDED APPROPRIATION</b>						
FY 2020-21 Appropriation	\$246,548,234	\$51,036,589	\$175,159,941	\$8,436,040	\$11,915,664	61.8
Annualize prior year budget actions	5,997,145	2,247,145	3,750,000	0	0	0.0
Indirect cost assessment	179,190	0	50,576	116,887	11,727	0.0
R5 Law Enforcement Community Services Grant Program	200,000	0	200,000	0	0	0.0
R6 Geothermal Energy Impact Grants one-time elimination	0	0	0	0	0	0.0
R7 Refinance Firefighter Heart and Circulatory Malfunction Benefits	(150,000)	(150,000)	0	0	0	0.0
R1 Defense Counsel on First Appearance Grant Program realignment	(687,625)	(687,625)	0	0	0	0.0
R3 Crime Prevention Initiative Grants continued adjustment	(1,000,000)	(1,000,000)	0	0	0	0.0
R2 Gray & Black Market Marijuana Enforcement restructure	(4,000,000)	0	(4,000,000)	0	0	0.0
Technical adjustments	(24,924,087)	0	(24,924,087)	0	0	0.0
Annualize prior year legislation	(37,299,668)	(37,299,723)	0	55	0	(3.1)
<b>TOTAL</b>	<b>\$184,863,189</b>	<b>\$14,146,386</b>	<b>\$150,236,430</b>	<b>\$8,552,982</b>	<b>\$11,927,391</b>	<b>58.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$61,685,045)</b>	<b>(\$36,890,203)</b>	<b>(\$24,923,511)</b>	<b>\$116,942</b>	<b>\$11,727</b>	<b>(3.1)</b>
Percentage Change	(25.0%)	(72.3%)	(14.2%)	1.4%	0.1%	(5.0%)
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$209,535,592</b>	<b>\$14,146,977</b>	<b>\$175,059,941</b>	<b>\$8,413,010</b>	<b>\$11,915,664</b>	<b>58.7</b>
Request Above/(Below) Recommendation	\$24,672,403	\$591	\$24,823,511	(\$139,972)	(\$11,727)	0.0

## DECISION ITEMS – DIVISION OF LOCAL GOVERNMENT

### ➔ R1 DEFENSE COUNSEL ON FIRST APPEARANCE GRANT PROGRAM REALIGNMENT

The Department requests a one-time reduction of \$687,625 General Fund for the Defense Counsel on First Appearance (DCFA) Grant Program, for a total FY 2021-22 appropriation of \$1,309,520.

**RECOMMENDATION:** Staff recommends approving the request.

*ANALYSIS:*

This program was established by H.B. 18-1353 (Defense Counsel in Municipal Court Grant Program) to reimburse local governments for the costs associated with the provision of defense counsel to defendants making their first appearances in municipal courts pursuant to Section 13-10-114.5, C.R.S. Reimbursements are set at a uniform rate of \$75 per hour. The Program has struggled to expend its annual appropriation; CORE records show \$211,561 expended in FY 2018-19 and \$552,472 expended in FY 2019-20. Unspent funds roll-forward and are available for expenditure the following year.

Funding for the DCFA Grant Program was reduced by \$1,560,000 General Fund in FY 2019-20 as part of the Governor's sequestration order. Despite the sequestration, nearly a million dollars rolled forward into FY 2020-21, and \$533,097 of the FY 2018-19 appropriation reverted to the General Fund. The appropriation for FY 2020-21 was reduced from the requested amount of \$1,997,145 to \$1,000,000 for budget balancing purposes. Despite these reductions, the Department expects some portion of the FY 2020-21 appropriation to roll-forward into FY 2021-22. Additionally, the COVID-19 pandemic caused many municipal court activities to be deferred, further suppressing demand for reimbursements in the final quarter of FY 201-20 and the current year. Staff believes the requested reduction is reasonable as the Department works to right-size the appropriation for this program.

**→ R2 GRAY & BLACK MARKET MARIJUANA ENFORCEMENT RESTRUCTURE**

The Department requests a one-time reduction to the Gray and Black Market Marijuana Enforcement Grant Program of \$4.0 million from the Marijuana Tax Cash Fund (MTCF). The Gray and Black Grant Program provides grants to local governments, law enforcement agencies, and district attorneys to assist with the enforcement of unlicensed and illegal marijuana cultivation and related crimes.

**RECOMMENDATION: Staff recommends approving the request.**

*ANALYSIS:*

The Gray and Black Market Marijuana Enforcement Grant Program received an annual appropriation of just under \$6.0 million from the MTCF in FY 2017-18 through FY 2019-20. The Program is allowed to spend remaining funds over the next fiscal year, after which the dollars are returned to the Marijuana Tax Cash Fund (MTCF). For FY 2017-18, the first year of this program, just \$708,395 of grant funding was awarded and spent across 32 applicants. The program rolled forward \$5,140,717 in unused funds into the next fiscal year.

In response to the low level of demand, the Department worked with the State Controller's Office to change the method of financial assistance from a reimbursement model to a formula-based distribution model, similar to that utilized by the Conservation Trust Fund program. Under the new model, local governments interested in receiving funds from the Grant Program opt-in to receive funding, and then later provide the Department with information on how the funding was utilized for the investigation and prosecution of unlicensed marijuana. Unspent funds will be utilized for future grant recipients or returned to the MTCF at the end of the year.

In FY 2018-19, 46 eligible entities opted-in under the new formula model, and by June 30, 2019, \$3,306,663 was expended by recipients, while \$809,075 was returned to the MTCF. For the first

application awards of FY 2019-20, which occurred in July 2019, 38 communities received \$5.8 million cumulatively and had through June 30, 2020 to expend the funds. For the second application cycle in December of FY 2019-20, 34 communities received \$5.8 million and had through June 30, 2021 to expend the funds.

FY 2018-19 utilized both funding models; \$324,195 was returned to the MTCF from the FY 2018-19 appropriation. The formula distribution method was used for the entirety of FY 2019-20. The final amount of FY 2019-20 funds utilized won't be known until the close of FY 2020-21. The Department requested a decrease of \$4.0 million for this program in FY 2020-21, and an additional \$1.0 million was subtracted during final budget balancing. The FY 2020-21 appropriation was \$950,673, plus an additional \$291,317 rolled forward from FY 2019-20.

The Department wishes to maintain the \$950,673 appropriation in FY 2021-22 while it continues to assess the level of demand. The Department is unsure whether the dollars are efficiently targeting areas with the greatest need and is considering returning to the original grant model. The Department will work to clarify the program's objective and implement data collection requirements in an attempt to measure the program's impact. Additionally, the Department wants to involve the Colorado Bureau of Investigation as a grant reviewer in the future.

### → R3 CRIME PREVENTION INITIATIVE GRANTS CONTINUED ADJUSTMENT

The Department requests a one-year continuation of the \$1.0 million General Fund reduction to the Crime Prevention Initiative Grant Program made during budget balancing in the 2020 Session. The Program, created through H.B. 17-1326 (Justice Reinvestment Crime Prevention Initiative), was appropriated \$3.0 million General Fund annually since FY 2017-18 until being reduced to \$2.0 million in FY 2020-21.

**RECOMMENDATION:** Staff recommends approving the request, but would note that this budget balancing action was intended to be one-time only when the Committee took action during the 2020 Session. Additionally, this program has expended its entire appropriation each year since inception, unlike many of the Department's other grant programs.

#### *ANALYSIS:*

The Crime Prevention Initiative Grant Program was appropriated \$3.0 million General Fund annually since FY 2017-18 until being reduced to \$2.0 million in FY 2020-21. The Department assumes the Program will receive the full \$3.0 million appropriation in FY 2022-23, which is its final year of operation. Senate Bill 19-064 (Retain Criminal Justice Programs Funding) extended the repeal date from September 1, 2020 to September 1, 2023.

In FY 2019-20, 43 organizations in the target communities of North Aurora and southeast Colorado Springs received funding through this line item. Grants focus on recidivism reduction, substance use, safety for homeless persons, trafficking prevention, and addressing systemic causes of disparities. Geographic diversity, makeup of the organization (i.e. minority led), and diversity of persons served are all considered in grant criteria. The Denver Foundation, the organization that oversees the Program, reports that only 21 grantees received funding in FY 2020-21 due to the reduction. The Program has consistently expended its full appropriation each year.

2020-2021 GRANTS – THE DENVER FOUNDATION AWARDED \$2,000,000	
<b>Program Evaluator, Administration and North Aurora Grant Subrecipients</b>	
Latino Coalition	\$200,000
The Denver Foundation (administrative fee)	80,000
CommunityWorks	100,000
Second Chance Center	100,000
The Rock Center	25,000
Work Options for Women	70,000
Heavy Hands Heavy Hearts Foundation	85,000
Sistahood Project	70,000
Servicios de la Raza	70,000
Glowmundo Creations	55,000
Resilient Futures	45,000
Restoration Project International	20,000
Aurora Economic Opportunity Coalition	50,000
Caring & Sharing Community Resources and Transformation Center	70,000
Center for Trauma & Resilience	100,000
<b>Total Program Evaluator, Administration and North Aurora Subrecipients</b>	<b>\$1,140,000</b>
<b>Southeast Colorado Springs Grant Subrecipients</b>	
Colorado Springs Works	\$150,000
Kingdom Builders Family Life Center	100,000
Relevant Word Ministries	100,000
Second Chance Through Faith	140,000
WeighOut Ministries	70,000
Voces Unidas	150,000
Thrive Network	150,000
<b>Total Colorado Springs Subrecipients</b>	<b>\$860,000</b>
<b>TOTAL FY 2020-21 GRANT ACTIVITY</b>	<b>\$2,000,000</b>

This program is rated a Step 2 on the Evidence Continuum because it tracks sub-grantee outcomes, but does not tie those outcomes to broader goals for the State, such as a reduction in crime.

#### ➔ R5 LAW ENFORCEMENT COMMUNITY SERVICES GRANT PROGRAM

The Department requests an ongoing increase of \$200,000 cash fund spending authority from the Law Enforcement Community Services (LECS) Grant Program Fund to begin making grants. The program was intended to begin grantmaking in FY 2020-21, however, the Fund has not been accruing revenue as quickly as originally estimated due to the unpredictable nature of the revenue stream coming from the sale of seized assets.

**RECOMMENDATION:** Staff recommends approving the request.



*ANALYSIS:*

The Law Enforcement Community Services Grant Program was created by H.B. 18-1020 (Civil Forfeiture Reforms) to provide funding to law enforcement entities, local governments, and community organizations to improve services to communities through community policing and outreach; drug intervention, prevention, treatment, and recovery; technology; training; and other community services. The Department's grant application model will focus on communities struggling to implement programs that address these issues. The act creates a 17-member Law Enforcement Community Services Grant Program Committee (which includes two legislators) to make recommendations to DOLA's Executive Director concerning which grants should be approved.

This program is subject to available appropriations from the newly created Law Enforcement Community Services Grant Program Fund. The fund consists of:

- any gifts, grants, or donations received by the Division of Local Government for this program;
- 25 percent of the proceeds from personal property that is seized a part of a criminal investigation; and
- any other money that the General Assembly may appropriate to the Fund.

DOLA is not required to implement this program until it receives "sufficient funds". The Legislative Council Staff Fiscal Note for H.B. 18-1020 estimated that \$500,000 in revenue will be transferred to the Fund each year from civil forfeiture proceeds, and the first grant awards would be made in FY 2020-21. The Fund collected \$493,790 between its inception on July 1, 2018 and October 1, 2020, which was significantly short of projected revenue. The Department has already hired an employee to get the program up and running, as \$69,705 and 1.0 FTE was approved for FY 2019-20, increasing to \$72,227 in FY 2020-21. The Department projects the LECS Grant Program Fund will have a balance of approximately \$585,000 at the close of FY 2020-21, and that \$200,000 is a reasonable amount to award in the first grant cycle while leaving some fund balance available for future cycles to account for the unpredictable funding stream.

#### ➔ R6 GEOTHERMAL ENERGY IMPACT GRANTS ONE-TIME ELIMINATION

The Department request a one-time elimination of the \$50,000 cash funds appropriation for the Local Government Geothermal Energy Impact Grants line item. Approving the request would ensure the Geothermal Resource Leasing Fund has a large enough balance to transfer \$123,000 to the General Fund through separate legislation for budget balancing purposes.

**RECOMMENDATION:** Staff recommends denying the request, unless the Committee again needs to apply significant budget reductions statewide.

*ANALYSIS:*

The Geothermal Resource Leasing Fund was created for the deposit of all revenue from sales, bonuses, royalties, leases, and rentals related to the State's geothermal resources<sup>4</sup>. There are currently two federal geothermal leases in Colorado, located in Chaffee and Gunnison County. Under federal law, the lease revenue is divided on the following basis: 50 percent to the federal government, 25

---

<sup>4</sup> Section 34-63-105 (1), C.R.S

percent to the county government in which the lease is located, and 25 percent to the State. The two leases generate approximately \$14,000 annually.

The Local Government Geothermal Energy Impact Grants program was created to provide grants to state agencies, school districts, and political subdivisions affected by the development and production of geothermal resources as authorized by federal law. The Department has not had the occasion to provide grants for the statutorily specified purposes over the past six years and does not expect any new leasing activity in the near future. The Department therefore proposes a one year suspension of spending authority and corresponding fund balance transfer to the General Fund in FY 2021-22. The Department estimates the Fund would have a balance of \$42,300 at the end of FY 2021-22 if the transfer occurs. Staff recommends denying this request on the grounds that transferring money that has been set aside for a specific purpose to supplement the General Fund is not necessary at this time.

#### → R7 REFINANCE FIREFIGHTER HEART AND CIRCULATORY MALFUNCTION BENEFITS

The Department requests a one-time reduction of \$150,000 General Fund to the Firefighter Heart and Circulatory Malfunction Benefits line item, with a corresponding increase spent from the program's fund balance.

**RECOMMENDATION:** Staff recommends approving the request, as spending down the balance in the Firefighter Benefits Cash Fund will have no impact on the program.

#### *ANALYSIS:*

The program underwent a similar refinancing as part of the 2020 Session balancing actions to reduce the General Fund appropriation by \$250,000. Prior to that action, the Firefighter Benefits Cash Fund had an unchanged fund balance of \$400,000 since FY 2016-17. The program historically received a General Fund appropriation of approximately \$867,000 and a corresponding appropriation of reappropriated funds, less administrative costs, to reimburse participating employers for the cost of the benefits.

Pursuant to S.B. 14-172 (Firefighter Heart Circulatory Malfunction Benefits), any municipality, special district, fire authority, or county improvement district employing one or more firefighters is required to provide benefits for heart and circulatory malfunctions for full-time firefighters, as long as the state provides sufficient funding to cover the cost. The employer may purchase accident insurance, self-insure, or participate in a self-insurance pool or multi-employer health trust.

The act created the Firefighter Benefits Cash Fund, which consists of money that is annually appropriated from the General Fund; money in this fund is subject to annual appropriation to the Department for the purpose of reimbursing employers for the direct costs of maintaining accident insurance, self-insurance, or participation in a self-insurance pool or multiple employer health trust as required by Section 29-5-302, C.R.S. Thus, this cash fund is established solely for the purpose of paying benefits and not for the Department's costs of administering the program.

The bill specifies that “if, at any time, the funding provided for the benefit required by this section is insufficient to cover the cost of the benefit, then the requirements of this section to maintain the

benefit shall become optional pursuant to section 29-1-304.5.” If appropriations are insufficient, staff assumes the General Assembly will need to decide whether it wishes to provide additional funding or whether it wishes to make the benefit optional. If the recommendation is approved, the projected FY 2021-22 ending fund balance will be \$777. Therefore, the program will need a full General Fund appropriation of approximately \$867,000 to continue operating to continue operating in FY 2022-23.

---

## LINE ITEM DETAIL—DIVISION OF LOCAL GOVERNMENT

### (A) LOCAL GOVERNMENT AND COMMUNITY SERVICES

#### (I) ADMINISTRATION

##### PERSONAL SERVICES

This line item funds salaries and associated Medicare and PERA contributions, as well as contractual services, for approximately half of the technical assistance and grants management FTE in the Division of Local Government (the remaining half are in the Field Services, Program Costs line item). The line item supports 16.8 FTE centrally located staff, including:

- 3.1 FTE for management and administration;
- 5.4 FTE for local government services;
- 3.0 FTE for the Colorado Resiliency Office;
- 2.8 FTE for the Energy Impact Grant Program; and
- 2.5 FTE for administration of the federal Community Services Block Grant.

The *Local Government Services* section provides administrative, financial, and other assistance to local officials, staff, and citizens in the operation of a local government. This includes assistance on budgeting, finance, general government administration, special district administration and elections, and enterprise management. It also assists with the preparation, processing and publication of various required local government filings received by DOLA from over 3,500 local governments statewide, including over 2,000 special districts.

The *Energy Impact Grant Program* is supported by central management staff that are supported by this line item as well as by regional staff that are supported by the Field Services Program Costs line item.

The federal *Community Services Block Grant* provides funds to alleviate the causes and conditions of poverty in communities. The Governor has designated DOLA as the lead agency for the grant.

*STATUTORY AUTHORITY:* Section 24-32-104, C.R.S.

*REQUEST:* The Department requests \$1,426,741 total funds (including \$592,019 General Fund) and 16.8 FTE. The request includes the out-year impacts of S.B. 18-200 to reflect the scheduled increase in the employer PERA contribution.

**RECOMMENDATION:** Staff recommends an appropriation of \$1,426,150, which is calculated consistent with Committee common policy and includes a net-zero adjustment to relocate the appropriation for H.B. 20-1095.

DIVISION OF LOCAL GOVERNMENT, LOCAL GOVERNMENT AND COMMUNITY SERVICES, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$1,426,129	\$591,407	\$0	\$675,804	\$158,918	16.8
Other legislation	\$24,066	\$24,066	\$0	\$0	\$0	0.5
<b>TOTAL</b>	<b>\$1,450,195</b>	<b>\$615,473</b>	<b>\$0</b>	<b>\$675,804</b>	<b>\$158,918</b>	<b>17.3</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$1,450,195	\$615,473	\$0	\$675,804	\$158,918	17.3
Annualize prior year legislation	21	21	0	0	0	0.0
Technical adjustments	(24,066)	(24,066)	0	0	0	(0.5)
<b>TOTAL</b>	<b>\$1,426,150</b>	<b>\$591,428</b>	<b>\$0</b>	<b>\$675,804</b>	<b>\$158,918</b>	<b>16.8</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$24,045)</b>	<b>(\$24,045)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.5)</b>
Percentage Change	(1.7%)	(3.9%)	0.0%	0.0%	0.0%	(2.9%)
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$1,450,807</b>	<b>\$616,085</b>	<b>\$0</b>	<b>\$675,804</b>	<b>\$158,918</b>	<b>17.3</b>
Request Above/(Below) Recommendation	\$24,657	\$24,657	\$0	\$0	\$0	0.5

## OPERATING EXPENSES

This line item funds the operating expenses of the Division of Local Government's administration. Common operating expenses include advertising, in-state travel, printing, postage, and various other cost items.

**STATUTORY AUTHORITY:** Section 24-32-104, C.R.S.

**REQUEST:** The Department requests \$135,851 total funds (including \$46,678 General Fund).

**RECOMMENDATION:** Staff recommends approving the request, which is a continuation level of funding and includes a net-zero adjustment to relocate the appropriation for H.B. 20-1095.

DIVISION OF LOCAL GOVERNMENT, LOCAL GOVERNMENT AND COMMUNITY SERVICES, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$135,851	\$46,678	\$0	\$25,146	\$64,027	0.0
Other legislation	\$2,149	\$2,149	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$138,000</b>	<b>\$48,827</b>	<b>\$0</b>	<b>\$25,146</b>	<b>\$64,027</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$138,000	\$48,827	\$0	\$25,146	\$64,027	0.0
Technical adjustments	(2,149)	(2,149)	0	0	0	0.0
<b>TOTAL</b>	<b>\$135,851</b>	<b>\$46,678</b>	<b>\$0</b>	<b>\$25,146</b>	<b>\$64,027</b>	<b>0.0</b>

DIVISION OF LOCAL GOVERNMENT, LOCAL GOVERNMENT AND COMMUNITY SERVICES, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	<b>(\$2,149)</b>	<b>(\$2,149)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(1.6%)	(4.4%)	0.0%	0.0%	0.0%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$138,000</b>	<b>\$48,827</b>	<b>\$0</b>	<b>\$25,146</b>	<b>\$64,027</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$2,149	\$2,149	\$0	\$0	\$0	0.0

## STRATEGIC PLANNING GROUP ON COLORADANS AGE 50 AND OVER

House Bill 15-1033 created the Strategic Planning Group on Aging within DOLA. The group consists of 23 voting members appointed by the Governor. The group was required to present to the Governor and General Assembly, by November 1, 2016, comprehensive data and recommendations to develop an action plan on aging in Colorado through the year 2030. Staff understands that this group is in the process of updating and refining the plan. The group is repealed July 1, 2022.

The portion of the Group's work that was anticipated to require funding — the development of an action plan — has been completed. The plan may be accessed at the following link:

<https://agingstrategy.colorado.gov/strategic-action-plan-on-aging-for-colorado>

The act included an appropriation of \$364,915 General Fund and 0.3 FTE for FY 2015-16, largely to cover contractual research. Funding was provided for FY 2016-17 to cover costs for 0.3 FTE for staff support and \$50,000 for travel expenses for members of the planning group. The Department requested that this line item be eliminated in FY 2017-18, consistent with the Legislative Council Staff fiscal note for the act. While the introduced FY 2018-19 Long Bill did not include an appropriation for this purpose, a \$55,000 General Fund appropriation was added in the Senate and was retained in the final act. The introduced FY 2019-20 Long Bill continued the \$55,000 appropriation; an additional \$55,000 was added in the Senate and retained in the final act. The FY 2020-21 Long Bill continued the \$110,000 General Fund appropriation.

*STATUTORY AUTHORITY:* Section 24-32-3401 through 3408, C.R.S.

*REQUEST:* The Department requests continuation of the \$110,000 General Fund appropriation.

***RECOMMENDATION:*** Staff recommends approving the request, which appears to be consistent with the intent of the General Assembly to continue to support the ongoing work of this Group. Continuation funding supports the Planning Group's work outlined under H.B. 15-1033.

The Strategic Action Plan on Aging work efforts in 2021 will revolve around the topics listed below, culminating in specific recommendations. Additional work will summarize the five sets of recommendations made by the planning group (2016, 2018, 2019, 2020, and 2021), major successes, and next steps preparing for the sunset review in 2022. Key focus areas for 2021 include:

- Organize and Host Meetings with Key Stakeholders:
  - Continue "Conversations on Aging" which convene older adults, families, elected officials, and local organizations to share and compile successful/innovative community-based efforts that support older Coloradans and their families, and use them to inform future SAPGA recommendations.

- Legislative Caucus on Aging: Host educational events to share knowledge about the aging population and challenges and opportunities connected to the state budgeting process.
- Convene Workgroups to Identify Recommendations Focused in the Following Five Areas:
  - *COVID Impacts*: Short-, medium- and long-term implications of COVID on the aging population.
  - *Long-Term Services and Supports (LTSS) and Caregiving*: Financing of LTSS, transitions of care, assisted living.
  - *Disparities*: Examine race and ethnicity, rural versus urban, gender, and LGBTQ issues with a goal to aggregate information related to these topics and aging.
  - *Workforce Development*: Deeper dive into programs, policies, and/or examples of legislation that have proven beneficial to promote opportunities for older adults to find work as well as to further develop the workforce needed to support older adults. Effort will include partnering with the Office of Future Work and the Office of Community Living.
  - *State Structure and Governance of Aging Issues*: Building off recommendations in 2016, 2019 and 2020 related to ensuring that recommendations made by SAPGA are implemented, the group will continue to move forward more specific recommendations for how aging should be positioned within state government.

Throughout 2021 and beyond, the Planning Group, in concert with the Senior Advisor on Aging and other aging-related representatives from State departments, will aggregate, organize, and prioritize the 2016, 2018, 2019, and 2020 Action Plan recommendations to present an integrated and coherent comprehensive aging plan that can influence decision making across all levels of government – with some elements connected to the non-profit, and private sectors. The Planning Group will also continue to make recommendations as appropriate throughout 2021 and 2022 for inclusion in the Strategic Action Plan on Aging.

## (II) LOCAL GOVERNMENT SERVICES

### CONSERVATION TRUST FUND DISBURSEMENTS

This line item reflects lottery proceeds anticipated to be transferred to the Conservation Trust Fund each fiscal year. Lottery proceeds (after payment of lottery-related administrative expenses, prizes, and operating reserves) are distributed pursuant to Article XXVII, Section 3 of the State Constitution as follows:

- 40 percent to the Conservation Trust Fund in the Department of Local Affairs "for distribution to municipalities and counties and other eligible entities for parks, recreation, and open space purposes";
- 10 percent to Colorado Parks and Wildlife for the acquisition, development and improvement of new and existing state parks, recreation areas and recreational trails;
- 50 percent to Great Outdoors Colorado (GOCO) up to the constitutional cap (\$70.4 million in FY 2019-20); and

Net lottery proceeds in excess of the GOCO cap are transferred to the Public School Capital Construction Assistance Fund<sup>5</sup>.

---

<sup>5</sup> See Section 22-43.7-104 (2)(b)(III), C.R.S.

RECENT LOTTERY DISTRIBUTIONS (MILLIONS)						
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	5-yr Avg.
Conservation Trust Fund	\$57.4	\$53.4	\$56.3	\$66.6	\$57.0	\$58.1
Great Outdoors Colorado	63.7	64.5	66.3	68.5	70.4	66.7
Colorado Parks and Wildlife	14.4	13.3	14.1	16.7	14.2	14.5
Building Excellent Schools Today	8.1	2.3	4.1	14.7	0.8	6.0
<b>Total</b>	<b>\$143.6</b>	<b>\$133.5</b>	<b>\$140.8</b>	<b>\$166.5</b>	<b>\$142.4</b>	<b>\$145.4</b>

Money in the Conservation Trust Fund is not subject to the Taxpayer Bill of Rights (TABOR), and the State Constitution states that lottery proceeds are "set aside, allocated, allotted, and continuously appropriated" for purposes of the distributions specified above. Thus, this line item is included in the Long Bill for informational purposes only.

Money in the Conservation Trust Fund is primarily distributed based on population. Funds may be used for acquiring and developing land or water for parks, open space, historic, recreation, scenic, aesthetic, or similar purposes. Money may also be used for maintenance of recreational facilities. In addition, the Division of Local Government may utilize the Conservation Trust Fund to recover its direct and indirect costs related to distributing money in the Trust Fund.

*STATUTORY AUTHORITY:* Section 3 (1)(b)(I) of Article XXVII of the State Constitution and Section 33-60-104 (1)(a), C.R.S. [transfer from the Lottery Fund to the Conservation Trust Fund]; Section 24-77-102 (17)(b)(IX), C.R.S. [money in Conservation Trust Fund not subject to TABOR]; Section 29-21-101 (2) and (3), C.R.S. [distribution and use of money in the Conservation Trust Fund]; Section 3 (1) of Article XXVII of the State Constitution [lottery proceeds are continuously appropriated]

*REQUEST:* The Department requests a continuation of \$49,924,087 cash funds and 1.0 FTE.

*RECOMMENDATION:* **Staff recommends increasing the appropriation to \$58,000,000 cash funds.** This amount is included in the Long Bill for informational purposes, as money in the Conservation Trust Fund is continuously appropriated to the Department. Lottery distributions for the previous five years are shown above; proceeds to the Conservation Trust Fund averaged \$58.1 million over this period. Staff believes \$58.0 million is a reasonable estimate of available funds for FY 2021-22.

DIVISION OF LOCAL GOVERNMENT, LOCAL GOVERNMENT AND COMMUNITY SERVICES, CONSERVATION TRUST FUND DISBURSEMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$49,924,087	\$0	\$49,924,087	\$0	\$0	1.0
<b>TOTAL</b>	<b>\$49,924,087</b>	<b>\$0</b>	<b>\$49,924,087</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$49,924,087	\$0	\$49,924,087	\$0	\$0	1.0
Technical adjustments	8,075,913	0	8,075,913	0	0	0.0
<b>TOTAL</b>	<b>\$58,000,000</b>	<b>\$0</b>	<b>\$58,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$8,075,913</b>	<b>\$0</b>	<b>\$8,075,913</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	16.2%	0.0%	16.2%	0.0%	0.0%	0.0%

DIVISION OF LOCAL GOVERNMENT, LOCAL GOVERNMENT AND COMMUNITY SERVICES, CONSERVATION TRUST FUND DISBURSEMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$49,924,087</b>	<b>\$0</b>	<b>\$49,924,087</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
Request Above/(Below) Recommendation	(\$8,075,913)	\$0	(\$8,075,913)	\$0	\$0	0.0

## VOLUNTEER FIREFIGHTER RETIREMENT PLANS

This line item reflects the State's contribution to local volunteer firefighter retirement plans. Eligible entities include:

- Municipalities with a population under 100,000 that maintain a regularly organized volunteer fire department and that offer fire protection services;
- Fire protection districts having volunteers and offering fire protection services;
- County improvement districts having volunteer fire department members and offering fire protection services; and
- Counties contributing to a volunteer pension fund at one of the above.

Eligible entities must have active, pension-eligible volunteer firefighters and have contributed tax revenue to the pension fund in the year prior to the year in which the distribution is made. Municipalities with populations of less than 100,000 may levy a tax of not more than one mill (one percent) on the taxable property in the municipality, county, or district to fund their individual volunteer firefighter pension funds.

The State payment to any municipality or district that is contributing an amount necessary to pay volunteer firefighter pension plans of \$300 or less per month must equal 90 percent of all amounts contributed by the locality in the previous year. The State payment to localities that contribute an amount necessary to pay pensions in excess of \$300 per month also must equal 90 percent of all amounts contributed by the locality in the previous year, as long as that 90 percent is less than the greater of (1) the contribution actuarially required to pay a pension of \$300 per month or (2) the highest actual contribution received by the municipality during the calendar years 1998, 1999, 2000, or 2001. The State has to contribute an amount equal to the greater of these two categories if such amount is less than 90 percent of municipal or special district contributions in the previous year. In each case, the State contribution cannot exceed an amount that is equal to a tax of one-half mill (.05 percent) on the total taxable property in the municipality or special district.

DOLA conducts an application process in which volunteer firefighting agencies submit an actuarial review of their plans "soundness" over the next 20 years. DOLA uses these studies to determine how much assistance each locality receives. Due to the "greater of" language currently included in statute, any locality which submits a request will be funded at some level, regardless of whether its pension plan requires such funding to meet the \$300 per month pension. In recent years, DOLA has distributed moneys to 227 qualified pension plans, 91 of which distribute more than \$300 per month to eligible retirees.

This line item is supported by revenues from a two percent tax on the gross amount of all insurance premiums collected during the previous calendar year. These funds are not subject to the annual statutory limit on General Fund appropriations. The General Assembly has identified at least a portion



of this appropriation as coming from the General Fund Exempt account in all but one year since FY 2005-06. *The line item is continuously funded and is included in the Long Bill for informational purposes only.*

*STATUTORY AUTHORITY:* Sections 31-30-1112 (2) [State contribution] and 10-3-209, C.R.S. [source of funding for State contribution]

*REQUEST:* The Department requests a continuation of the \$4,345,000 from the General Fund Exempt Account that is reflected in the Long Bill for informational purposes.

*RECOMMENDATION:* This figure is **pending**. Staff requests permission to use the amount included in whichever March 2021 General Fund revenue forecast the JBC chooses to adopt. The table below shows recent actual expenditures.

VOLUNTEER FIREFIGHTER RETIREMENT PLANS	
FISCAL YEAR	ANNUAL EXPENDITURES
2009-10	\$4,222,528
2010-11	4,281,892
2011-12	4,358,691
2012-13	4,175,447
2013-14	4,096,705
2014-15	4,170,673
2015-16	4,116,022
2016-17	4,202,791
2017-18	4,351,123
2018-19	4,201,417
2019-20	4,265,444

## VOLUNTEER FIREFIGHTER DEATH AND DISABILITY INSURANCE

This line item reflects the State's contribution for local volunteer firefighter death and disability insurance. This amount is not subject to the statutory limit on General Fund appropriations, and it is included in the Long Bill for informational purposes. This line item is supported by revenues from a two percent tax on the gross amount of all insurance premiums collected during the previous calendar year.

*STATUTORY AUTHORITY:* Section 31-30-1112 (2)(h)(II), C.R.S.

*REQUEST:* The Department's request reflects a continuation of the \$30,000 General Fund amount that is reflected in the Long Bill for informational purposes.

*RECOMMENDATION:* This figure is **pending**. Staff requests permission to use the amount included in whichever March 2021 General Fund revenue forecast the JBC chooses to adopt. The table below shows recent actual expenditures.

Volunteer Firefighter Death and Disability Insurance	
Fiscal Year	Annual Expenditures
2009-10	\$24,225
2010-11	21,065
2011-12	21,065
2012-13	21,065
2013-14	21,065
2014-15	21,065
2015-16	21,065
2016-17	21,065
2017-18	21,065
2018-19	21,065
2019-20	21,065

## FIREFIGHTER HEART AND CIRCULATORY MALFUNCTION BENEFITS

Pursuant to S.B. 14-172, any municipality, special district, fire authority, or county improvement district employing one or more firefighters is required to provide benefits for heart and circulatory malfunctions for full-time firefighters, as long as the state provides sufficient funding to cover the cost. The employer may purchase accident insurance, self-insure, or participate in a self-insurance pool or multi-employer health trust. The act specifies minimum and maximum benefits that must be provided, ranging from a lump sum payment of \$4,000 if an exam reveals a firefighter has a heart and circulatory malfunction to a maximum one-time payment of \$250,000.

In order to receive benefits a firefighter must:

- have had a recent medical examination that found no heart or circulatory malfunction present;
- be employed for at least five continuous years as a firefighter, except for a volunteer firefighter that must have five years of continuous service with the same employer; and
- have experienced the heart and circulatory malfunction within 48 hours of a stressful or strenuous work event.

The act created the Firefighter Benefits Cash Fund, which consists of money that is annually appropriated from the General Fund; money in this fund is subject to annual appropriation to the Department for the purpose of reimbursing employers for the direct costs of maintaining accident insurance, self-insurance, or participation in a self-insurance pool or multiple employer health trust as required by Section 29-5-302, C.R.S. Thus, this cash fund is established solely for the purpose of paying benefits and not for the Department's costs of administering the program.

The bill specifies that “if, at any time, the funding provided for the benefit required by this section is insufficient to cover the cost of the benefit, then the requirements of this section to maintain the benefit shall become optional pursuant to section 29-1-304.5.” If appropriations are insufficient, staff assumes the General Assembly will need to decide whether it wishes to provide additional funding or whether it wishes to make the benefit optional. There does not appear to be a sunset on the program, but the General Assembly could choose to eliminate the program at any time through defunding, in light of the above provision.

*STATUTORY AUTHORITY:* Section 29-5-302, C.R.S.

*REQUEST:* The Department requests an appropriation of \$717,873 General Fund and 0.5 FTE, and continuation of the \$839,053 appropriation of reappropriated funds from the Firefighters Benefits Cash Fund.

*RECOMMENDATION:* **Staff recommends approving the request**, which includes spending down \$150,000 of the fund's balance as discussed in R7 on page 46 of this document, and a decrease of \$250,000 cash funds which was unnecessarily included in the FY 2020-21 Long Bill to show planned the spend-down for budget balancing.

DIVISION OF LOCAL GOVERNMENT, LOCAL GOVERNMENT AND COMMUNITY SERVICES, FIREFIGHTER HEART AND CIRCULATORY MALFUNCTION BENEFITS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$1,706,926	\$617,873	\$250,000	\$839,053	\$0	0.5
<b>TOTAL</b>	<b>\$1,706,926</b>	<b>\$617,873</b>	<b>\$250,000</b>	<b>\$839,053</b>	<b>\$0</b>	<b>0.5</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$1,706,926	\$617,873	\$250,000	\$839,053	\$0	0.5
Annualize prior year budget actions	0	250,000	(250,000)	0	0	0.0
R7 Refinance Firefighter Heart and Circulatory Malfunction Benefits	(150,000)	(150,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,556,926</b>	<b>\$717,873</b>	<b>\$0</b>	<b>\$839,053</b>	<b>\$0</b>	<b>0.5</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$150,000)</b>	<b>\$100,000</b>	<b>(\$250,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(8.8%)	16.2%	(100.0%)	0.0%	0.0%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$1,556,926</b>	<b>\$717,873</b>	<b>\$0</b>	<b>\$839,053</b>	<b>\$0</b>	<b>0.5</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## LOCAL UTILITY MANAGEMENT ASSISTANCE

This program assists the Water Resources and Power Development Authority in implementing drinking water and wastewater treatment loans. DOLA advises local governments about the mechanics of the loans and their potential eligibility. DOLA reviews about 50 loan applications per year and analyzes their economic feasibility. DOLA provides support because it already has information about the finances of local governments and has financial/economic analysis expertise. The Authority pays DOLA for portions of the salaries of several employees who work on these loans (2.0 FTE total).

*STATUTORY AUTHORITY:* Sections 37-95-107.6 (3) and 107.8 (3), C.R.S.

*REQUEST:* The Department requests \$183,275 cash funds and 2.0 FTE, which is a continuation level of funding.

*RECOMMENDATION:* **Staff recommends approving the request.**

## ENVIRONMENTAL PROTECTION AGENCY WATER/SEWER FILE PROJECT

This is a federally funded project to determine eligibility and credit worthiness of local governments for Environmental Protection Agency (EPA) water and sewer loans. These funds are reflected in the Long Bill for informational purposes.

*STATUTORY AUTHORITY:* Section 24-32-106 (1)(d), C.R.S.

*REQUEST:* The Department requests \$67,004 federal funds and 0.5 FTE, which is a continuation level of funding.

*RECOMMENDATION:* **Staff recommends approving the request.**

### (III) COMMUNITY SERVICES

#### COMMUNITY SERVICES BLOCK GRANT

The federal Community Services Block Grant (CSBG), distributed by the federal Department of Health and Human Services, provides funding to local communities for services that address the causes of poverty, including employment assistance, education, affordable housing, emergency services, nutrition, counseling, health, transportation, elderly projects, summer youth recreation, and community development. Recipients must be at or below 125 percent of federal poverty guidelines. Colorado has 44 eligible entities that receive CSBG funds annually, which are distributed on a formula basis. Eligible entities include qualified locally based nonprofit anti-poverty agencies, which provide services to low income individuals and families. Ninety percent of the funds are allocated to grantees, five percent is available for administration, and five percent is reserved for the Governor's discretion.

In order for the State to be eligible to receive federal moneys under the CSBG program, it is required to hold at least one legislative hearing every three years in conjunction with the development of the approved state plan. Historically, the Joint Budget Committee has served as the legislative committee holding the required hearing.

*STATUTORY AUTHORITY:* Section 24-32-106 (1)(d), C.R.S.

*REQUEST:* The Department's request reflects continuation of the \$6,000,000 federal funds amount that is reflected in the Long Bill for informational purposes.

*RECOMMENDATION:* **Staff recommends approving the Department's request.**

## (B) FIELD SERVICES

### PROGRAM COSTS

This line funds salaries and associated Medicare and PERA contributions, as well as contractual services, for approximately half of the technical assistance and grants management FTE in the Division (the remaining half are in the Administration, Personal Services line item). It also includes associated operating expenses. The line currently supports 31.1 FTE, including:

- 7.3 FTE for management and administration;
- 18.0 FTE for field representatives;
- 4.3 FTE for administration of the federal Community Development Block Grant for non-entitlement areas;
- 1.0 FTE for local government limited gaming grant administration; and
- 0.5 FTE to support implement H.B. 20-1095 (Local Governments Water Elements in Master Plans).

Responsibilities are described below.

- Field staff provide education and customized assistance for local governments on issues such as budget review, property tax limitations, TABOR, water and sewer financing, election rules, land use planning, and application for federal and state grant funds. Staff is responsible for working with the local governments in their region. Field staff have typically worked as city and county managers prior to employment with the Department and are thus well positioned to advise local governments.
- Field Service staff review grant applications for the Mineral Impact Program, authorize smaller grants, and manage grant disbursements. In FY 2017-18, the General Assembly approved a request to add 1.0 FTE for a field representative position in Grand Junction assist local communities in responding to the economic impact of energy transformation in western parts of the state, as well as in other rural areas.
- The Community Development Office, which operates in this section, is comprised of 4.0 FTE who focus on providing technical assistance to local governments in land-use planning, economic development, and sustainable and resilient community development. The Office is responsible advising the Governor, the General Assembly, and local governments on growth issues, and providing technical assistance to communities dealing with economic and population growth and decline.
- The Community Development Office is also responsible for a local economic development initiative known as the Main Street Program. The Main Street Program supports downtown revitalization through asset-based economic development and historic preservation. In addition to funding for 2.0 FTE, this program is supported by \$462,500 reappropriated funds (from energy impact funds) for consulting services for local communities (this funding was added in FY 2015-16 in response to a Department budget request). The Office may also use other existing resources to provide scholarships and non-competitive mini-grants to Main Street communities.

*STATUTORY AUTHORITY:* Sections 24-32-104 and 106 [functions of the Division of Local Government and duties of the Division Director], 24-32-303 [Authority and responsibility of the Division of Commerce and Development], and 24-32-803 [duties of the Office of Rural Development], C.R.S.

*REQUEST:* The Department requests \$3,412,362 total funds and 31.6 FTE (including \$340,887 General Fund). The request includes the out-year impacts of S.B. 18-200 (to reflect the scheduled increase in the employer PERA contribution), H.B. 20-1019 (Prison Population Reduction), and H.B. 20-1095 (Local Governments Water Elements in Master Plans).

*RECOMMENDATION:* **Staff recommends \$3,410,876**, which is calculated consistent with Committee common policy and includes a net-zero technical adjustment to the location of the appropriation for H.B. 20-1095.

DIVISION OF LOCAL GOVERNMENT, FIELD SERVICES, PROGRAM COSTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$3,414,574	\$344,640	\$114,788	\$2,599,785	\$355,361	31.5
Other legislation	\$183,792	\$183,792	(\$114,788)	\$114,788	\$0	(0.9)
<b>TOTAL</b>	<b>\$3,598,366</b>	<b>\$528,432</b>	<b>\$0</b>	<b>\$2,714,573</b>	<b>\$355,361</b>	<b>30.6</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$3,598,366	\$528,432	\$0	\$2,714,573	\$355,361	30.6
Technical adjustments	26,215	26,215	0	0	0	0.5
Annualize prior year legislation	(213,705)	(213,760)	0	55	0	0.5
<b>TOTAL</b>	<b>\$3,410,876</b>	<b>\$340,887</b>	<b>\$0</b>	<b>\$2,714,628</b>	<b>\$355,361</b>	<b>31.6</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$187,490)</b>	<b>(\$187,545)</b>	<b>\$0</b>	<b>\$55</b>	<b>\$0</b>	<b>1.0</b>
Percentage Change	(5.2%)	(35.5%)	0.0%	0.0%	0.0%	3.3%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$3,386,147</b>	<b>\$314,672</b>	<b>\$0</b>	<b>\$2,716,114</b>	<b>\$355,361</b>	<b>31.1</b>
Request Above/(Below) Recommendation	(\$24,729)	(\$26,215)	\$0	\$1,486	\$0	(0.5)

## COMMUNITY DEVELOPMENT BLOCK GRANT

The federal Community Development Block Grant (CDBG), distributed by the federal Department of Housing and Urban Development, provides funding to local communities for housing, public facility, and business assistance projects that benefit primarily low to moderate-income individuals through community development efforts. The federal agency distributes funds to each state based on a statutory formula that takes into account total population, poverty, incidence of overcrowded housing, and age of housing.

DOLA administers the funds for smaller, "non-entitlement" communities. Non-entitlement areas are cities with populations of less than 50,000, and counties with populations of less than 200,000. Large counties and metropolitan areas receive their funding directly on an entitlement basis. DOLA divides CDBG funds in equal thirds for the following purposes:

- To make discretionary loans to local businesses to promote rural development. Administration of the business development program is coordinated between DOLA field staff and the Governor's Office of Economic Development and International Trade.

- To provide discretionary grants to local governments for local infrastructure development such as roads, water treatment facilities, and public buildings.
- To provide discretionary grants for affordable housing development. This portion of CDBG funds is shown as part of the Affordable Housing Grants and Loans line item in the Division of Housing section of the Long Bill.

*STATUTORY AUTHORITY:* Section 24-32-106 (1)(d), C.R.S.

*REQUEST:* The Department's request reflects continuation of a \$5,200,000 appropriation.

*RECOMMENDATION:* **Staff recommends approving the request.** The amount in this line item is included in the Long Bill for informational purposes, and it is intended to reflect the portion of federal block grant funding that is not used for Department administrative functions, and that is available for purposes other than affordable housing.

## LOCAL GOVERNMENT MINERAL AND ENERGY IMPACT GRANTS AND DISBURSEMENTS

This grant program is intended to assist communities that are impacted by the growth and decline of the mineral and energy industries. The Local Government Severance Tax Fund and the Local Government Mineral Impact Fund serve as revenue sources for the program.

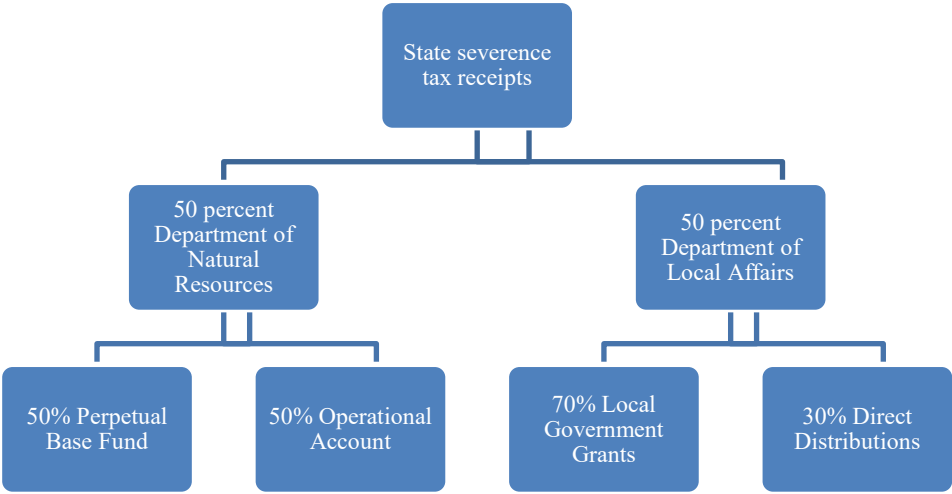
- Fifty percent of total gross receipts realized from the *state severance taxes* imposed on five types of extracted minerals and mineral fuels, including oil and natural gas, coal, metallic minerals, molybdenum ore, and oil shale, are deposited in the Local Government Severance Tax Fund on a monthly basis. The tax applies for resources that are removed from both privately and publicly owned lands; however, the severance tax is not paid when resources are removed from Tribal lands.
- Forty percent of the State's share of private sector payments to the federal government for mineral and mineral fuel production on federal lands (referred to as *federal mineral lease revenues*) is deposited to the Local Government Mineral Impact Fund on a quarterly basis.

By statute, a portion of each program's funding is **distributed directly** back to the local jurisdictions based on the reported residence of mineral production employees, mining and well permits, and mineral production:

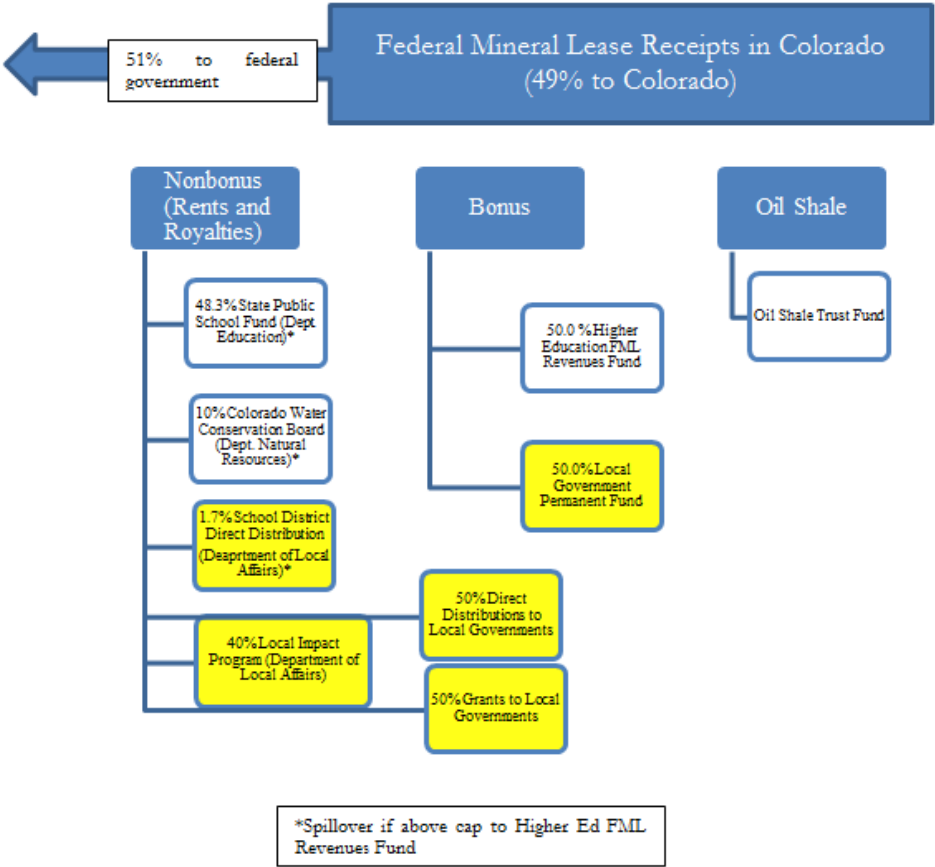
- 30 percent of severance tax revenues; and
- 50 percent of federal mineral lease revenues.

The remaining portion of these funds is distributed through **discretionary grants** to local jurisdictions. The graphic on the following page illustrates the allocation of state severance tax revenues and federal mineral lease revenues.

**Allocation of State Severance Tax Revenue**  
(Section 39-29-108, C.R.S.)



**Allocation of Federal Mineral Lease Receipts**  
(Section 34-63-102, C.R.S.)





In administering the grant program, the Department is assisted by the nine-member Energy and Mineral Impact Assistance Advisory Committee. Final funding decisions are made by the Executive Director of the Department. Entities eligible to receive grants and loans include municipalities, counties, school districts, special districts and other political subdivisions, and state agencies for the planning, construction, and maintenance of public facilities and public services. Priority is given to schools and local governments socially or economically impacted by the mineral extraction industry on federal lands.

The interpretation by the executive branch is that these funds are *continuously appropriated*. The statutory language governing the funds predates the standardized usage by the General Assembly of the term "continuously appropriated." However, there is language saying that the money "shall be distributed" by the Department. The General Assembly has never challenged the interpretation.

The amount of funding available fluctuates with changes in production, commodity prices, severance tax refunds, and periodic transfers to or from the General Fund. The Division adjusts the funding available for grant cycles based on changes in projected revenues. The Division also maintains a reserve balance that can be utilized for grants when revenues decline significantly. In the event of a significant spike in revenues, the Division may allocate a portion of available funding in response to specific local demand such as the Broadband Grant Program or the Renewable and Clean Energy Initiative.

From a timing standpoint, there are three ways to look at Mineral and Energy Impact funding:

View #1: Fund amounts and allocations based on the fiscal year received, based on statutory requirements.

View #2: Fund amounts and allocations, based on the fiscal year in which they are distributed (for direct distributions) or newly awarded (for grants). This should parallel amounts described in #1 above, but on a partially delayed cycle. Specifically, direct distributions are distributed in the August following the fiscal year of receipt. New grant awards are typically made three times a year in August, December and April. Money is allocated throughout the year but only after receipt. Thus, August grants are based on prior fiscal year receipts, while December and April grants are based on current fiscal year receipts.

View #3: Fiscal year expenditures. For direct distributions, this reflects the prior fiscal year revenue. Grant amounts, however, are spent down over multiple years for infrastructure projects. Thus, the expenditure pattern lags years behind the pattern for new grants awarded.

How Energy Impact Funds May be Shown for Revenues Received in Year 1 (Total Funds the Same for Option 1, 2, 3)					
	Year 1	Year 2	Year 3	Year 4	Year 5
View 1 – Amount shown in year received					

How Energy Impact Funds May be Shown for Revenues Received in Year 1 (Total Funds the Same for Option 1, 2, 3)							
	Year 1		Year 2		Year 3	Year 4	Year 5
View 2 – Amount shown in year in which new money is distributed for direct distributions or <u>allocated</u> for new grants							
View 3 – Amount shown spread across years in which it is actually spent.							

*STATUTORY AUTHORITY:* Sections 39-29-108 (2)(b) [allocation of severance tax revenues to Local Government Severance Tax Fund]; 39-29-110 (1)(b) and (c) [Local Government Severance Tax Fund allocations for grants and distributions]; 34-63-102 (5)(a) and (5.4)(b) [Mineral Leasing Fund allocation to Local Government Mineral Impact Fund], C.R.S.

*REQUEST:* The Department requests continuation of the \$123,000,000 cash funds amount that is included in the Long Bill for informational purposes.

*RECOMMENDATION:* **Staff recommends decreasing the informational appropriation to \$90,000,000 to better reflect the sharp drop in revenue that began in FY 2019-20.**

Based on Legislative Council Staff's December 2020 economic forecast, the Department anticipates that this program will include the following for FY 2021-22:

- Three grant cycles to award (encumber but not necessarily spend) approximately \$49.6 million (down from \$67.4 million in FY 2019-20).
- Direct distributions to local governments totaling \$15.8 million based on projected revenues collected in FY 2021-22.
- Approximately \$7.4 million expended to support personal services and operating expenses throughout the Department (reappropriated funds).

The following three tables, prepared by the Department, detail actual and projected revenues to and expenditures from the Local Government Severance Tax Fund and the Local Government Mineral Impact Fund.

LOCAL GOVERNMENT SEVERANCE TAX FUND					
	ACTUAL FY 2018-19	ACTUAL FY 2019-20	APPROPRIATED FY 2020-21	PROJECTED FY 2021-22	PROJECTED FY 2022-23
Beginning Fund Balance (cash)	\$136,023,885	\$190,564,478	\$171,697,263	\$106,341,405	\$73,346,731
Revenue	\$112,371,376	\$77,910,550	\$12,682,977	\$27,965,231	\$59,298,150

LOCAL GOVERNMENT SEVERANCE TAX FUND					
	ACTUAL FY 2018-19	ACTUAL FY 2019-20	APPROPRIATED FY 2020-21	PROJECTED FY 2021-22	PROJECTED FY 2022-23
<b>Expenditures</b>	<b>\$57,830,782</b>	<b>\$96,777,765</b>	<b>\$78,038,836</b>	<b>\$60,959,905</b>	<b>\$52,778,510</b>
Administration	2,847,160	3,273,798	3,521,994	3,592,434	3,664,283
Indirect Costs	400,886	246,844	329,642	336,235	342,960
Transfers to Other Agency (CDPHE)	310,211	312,960	328,671	335,244	341,949
Transfers to General Fund	0	0	0	0	0
Direct Distribution (in August, prior year payable)	16,224,835	50,008,944	7,075,830	3,804,893	8,389,569
Payments on Prior Year Encumbrances	38,047,691	42,935,219	52,863,201	40,351,099	19,499,749
Payments on New Grant Encumbrances Est.	0	0	13,919,498	12,540,000	20,540,000
<b>Net Income</b>	<b>\$54,540,593</b>	<b>(\$18,867,215)</b>	<b>(\$65,355,859)</b>	<b>(\$32,994,674)</b>	<b>\$6,519,640</b>
<b>Ending Fund Balance (cash)</b>	<b>\$190,564,478</b>	<b>\$171,697,263</b>	<b>\$106,341,405</b>	<b>\$73,346,731</b>	<b>\$79,866,371</b>
<b>Encumbrances</b>					
New Grant Contracts Encumbered	43,782,224	43,782,224	34,798,745	31,350,000	51,350,000
Less Payments on New Grant Encumbrances Est.	0	0	(13,919,498)	(12,540,000)	(20,540,000)
Roll Forward Prior Years Grants Encumbered	71,608,640	79,294,802	26,431,601	6,959,749	6,270,000
Direct Distribution Payable	33,711,413	7,075,830	3,804,893	8,389,569	17,789,445
Emergency Grant Reserve	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Legislative Reserve/Transfer Obligation	0	0	0	0	0
<b>Fund Balance Available for Future Grants &amp; Operation</b>	<b>\$38,462,201</b>	<b>\$38,544,408</b>	<b>\$52,225,664</b>	<b>\$36,187,413</b>	<b>\$21,996,926</b>

LOCAL GOVERNMENT MINERAL IMPACT FUND					
	ACTUAL FY 2018-19	ACTUAL FY 2019-20	APPROPRIATED FY 2020-21	REQUESTED FY 2021-22	PROJECTED FY 2022-23
<b>Beginning Fund Balance (cash)</b>	<b>\$69,935,114</b>	<b>\$80,027,994</b>	<b>\$59,982,484</b>	<b>\$48,961,691</b>	<b>\$41,124,305</b>
<b>Revenue</b>	<b>\$47,622,214</b>	<b>\$27,164,061</b>	<b>\$24,403,708</b>	<b>\$26,658,842</b>	<b>\$28,484,884</b>
<b>Expenditures</b>	<b>\$37,529,333</b>	<b>\$47,209,570</b>	<b>\$35,424,501</b>	<b>\$34,496,227</b>	<b>\$33,691,791</b>
Administration	2,654,399	2,619,805	2,655,627	2,708,739	2,762,914
Indirect Costs	370,048	201,962	346,920	353,859	360,936
Transfers to Other Agency (DPS)	65,841	65,841	65,841	65,841	65,841
Transfers to General Fund	0	0	0	0	0
Direct Distribution (in August, prior year payable)	20,650,914	24,070,696	13,460,736	12,000,100	13,302,100
Payments on Prior Year Encumbrances	13,788,132	20,251,266	13,615,377	12,087,688	9,920,000
Payments on New Grant Encumbrances Est.	0	0	5,280,000	7,280,000	7,280,000
<b>Net Income</b>	<b>\$10,092,880</b>	<b>(\$20,045,510)</b>	<b>(\$11,020,793)</b>	<b>(\$7,837,385)</b>	<b>(\$5,206,906)</b>
<b>Ending Fund Balance</b>	<b>\$80,027,994</b>	<b>\$59,982,484</b>	<b>\$48,961,691</b>	<b>\$41,124,305</b>	<b>\$35,917,399</b>
<b>Encumbrances</b>					
New Grant Contracts Encumbered	21,335,077	23,629,848	13,200,000	18,200,000	18,200,000
Less Payments on New Grant Encumbrances Est.	0	0	(5,280,000)	(7,280,000)	(7,280,000)
Roll Forward Prior Years Grants Encumbered	22,508,645	20,423,065	6,807,688	2,640,000	3,640,000
Direct Distribution Payable	20,650,914	13,460,736	12,000,100	13,302,100	14,343,700
Emergency Grant Reserve	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

LOCAL GOVERNMENT MINERAL IMPACT FUND					
	ACTUAL FY 2018-19	ACTUAL FY 2019-20	APPROPRIATED FY 2020-21	REQUESTED FY 2021-22	PROJECTED FY 2022-23
Legislative Reserve/Transfer Obligation	0	0	0	0	0
<b>Fund Balance Available for Future Grants</b>	<b>\$12,533,358</b>	<b>(\$531,165)</b>	<b>\$19,233,902</b>	<b>\$11,262,205</b>	<b>\$4,013,699</b>

DOLA ENERGY IMPACT ASSISTANCE PROGRAM					
	ACTUAL FY 2018-19	ACTUAL FY 2019-20	APPROPRIATED FY 2020-21	REQUESTED FY 2021-22	PROJECTED FY 2022-23
<b>Beginning Fund Balance (cash)</b>	<b>\$205,958,999</b>	<b>\$270,592,472</b>	<b>\$231,679,748</b>	<b>\$155,303,095</b>	<b>\$114,471,036</b>
<b>Revenue</b>	<b>\$159,993,589</b>	<b>\$105,074,610</b>	<b>\$37,086,685</b>	<b>\$54,624,073</b>	<b>\$87,783,034</b>
<b>Expenditures</b>	<b>\$95,360,116</b>	<b>\$143,987,335</b>	<b>\$113,463,337</b>	<b>\$95,456,132</b>	<b>\$86,470,301</b>
Administration	5,501,559	5,893,602	6,177,621	6,301,173	6,427,197
Indirect Costs	770,934	448,806	676,562	690,094	703,895
Transfers to Other Agency (CDPHE, DPS)	376,052	378,801	394,512	401,085	407,790
Transfers to General Fund	0	0	0	0	0
Direct Distribution (in August, prior year payable)	36,875,748	74,079,640	20,536,566	15,804,993	21,691,669
Payments on Prior Year Encumbrances	51,835,823	63,186,485	66,478,578	52,438,787	29,419,749
Payments on New Grant Encumbrances Est.	0	0	19,199,498	19,820,000	27,820,000
<b>Net Income</b>	<b>\$64,633,473</b>	<b>(\$38,912,725)</b>	<b>(\$76,376,652)</b>	<b>(\$40,832,059)</b>	<b>\$1,312,733</b>
<b>Ending Fund Balance</b>	<b>\$270,592,472</b>	<b>\$231,679,748</b>	<b>\$155,303,095</b>	<b>\$114,471,036</b>	<b>\$115,783,770</b>
<b>Encumbrances</b>					
New Grant Contracts Encumbered	65,117,301	67,412,072	47,998,745	49,550,000	69,550,000
Less Payments on New Grant Encumbrances Est.	0	0	(19,199,498)	(19,820,000)	(27,820,000)
Roll Forward Prior Years Grants Encumbered	94,117,285	99,717,867	33,239,289	9,599,749	9,910,000
Direct Distribution Payable	54,362,326	20,536,566	15,804,993	21,691,669	32,133,145
Emergency Grant Reserve	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Legislative Reserve/Transfer Obligation	0	0	0	0	0
<b>Fund Balance Available for Future Grants</b>	<b>\$50,995,559</b>	<b>\$38,013,243</b>	<b>\$71,459,566</b>	<b>\$47,449,618</b>	<b>\$26,010,625</b>

As detailed in the following table, the amount that is included in the Long Bill for this line item differs significantly from actual annual expenditures. This is due to forecast errors, but is also because a significant portion of annual expenditures relate to grant awards from previous fiscal years. For example, the Department is currently projecting that direct distributions and new grant awards will total \$65.4 million in FY 2021-22, and payments for prior year expenditures will add another \$19.8 million to the expenditure total for FY 2021-22.

COMPARISON OF LONG BILL PROJECTION AND ACTUAL EXPENDITURES MINERAL AND ENERGY IMPACT GRANTS AND DISBURSEMENTS			
FISCAL YEAR	LONG BILL ESTIMATE	ACTUAL	DIFFERENCE
2001-02	\$59,269,242	\$31,047,996	(\$28,221,246)
2002-03	62,848,376	36,674,567	(26,173,809)
2003-04	59,000,000	46,178,655	(12,821,345)
2004-05	59,000,000	64,962,478	5,962,478
2005-06	59,300,000	99,340,403	40,040,403
2006-07	63,300,000	101,477,804	38,177,804
2007-08	63,300,000	140,619,011	77,319,011
2008-09	125,900,000	211,857,880	85,957,880
2009-10	192,000,000	232,269,508	40,269,508
2010-11	129,000,000	205,213,806	76,213,806
2011-12	166,400,000	86,789,460	(79,610,540)
2012-13	150,000,000	68,608,798	(81,391,202)
2013-14	150,000,000	115,191,372	(34,808,628)
2014-15	150,000,000	130,466,720	(19,533,280)
2015-16	150,000,000	123,909,064	(26,090,936)
2016-17	125,000,000	142,925,791	17,925,791
2017-18	100,000,000	132,314,238	32,314,238
2018-19	100,000,000	121,250,094	21,250,094
2019-20	123,000,000	106,656,070	(16,343,930)

## LOCAL GOVERNMENT PERMANENT FUND

Fifty percent of the state's share of all bonus payments from federal mineral leases is deposited to the Local Government Permanent Fund. Section 34-63-102 (5.3)(a)(I)(B), C.R.S., states that "If, based on the revenue estimate prepared by the staff of the legislative council in December of any fiscal year, it is anticipated that the total amount of moneys that will be deposited into the mineral leasing fund...during the fiscal year will be at least ten percent less than the amount of moneys so deposited during the immediately preceding fiscal year, the general assembly may appropriate moneys from the local government permanent fund to the department of local affairs for the current or next fiscal year." Money appropriated from this Fund is used to enhance the direct distributions to localities federal mineral leasing funds.

A transfer of \$2.3 million was made from the Local Government Permanent Fund to the General Fund pursuant to H.B. 20-1406 (Cash Fund Transfers to the General Fund) as part of 2020 balancing actions.

*STATUTORY AUTHORITY:* Section 34-63-102 (5.3)(a)(I)(B), C.R.S.

*REQUEST:* The Department does not request any funds for this line item, and has not requested an appropriation since FY 2016-17.

*RECOMMENDATION:* **Consistent with the Department request, staff does not recommend an appropriation from this fund for FY 2021-22.** Based on the December 2020 revenue forecasts, neither the Office of State Planning and Budgeting or the Legislative Council Staff warrant such an appropriation.

## APPROPRIATION TO THE LOCAL GOVERNMENT LIMITED GAMING IMPACT FUND (NEW LINE ITEM) AND LOCAL GOVERNMENT LIMITED GAMING IMPACT GRANTS

Historically, the Local Government Limited Gaming Impact Fund received \$5,000,000 of the 50 percent “state share” of limited gaming revenue. Two percent of this amount (\$100,000) was set aside for gambling addiction counseling under the authority of the Department of Human Services and the remaining 98 percent (\$4,900,000) was used to provide financial assistance to designated local governments for documented gaming impacts.

Pursuant to S.B. 18-191 (Local Government Limited Gaming Impact Fund), the portion of the state share of gaming revenues that is transferred to the Local Government Limited Gaming Impact Fund increases proportionally when the state share increases. If the state share does not increase, the transfer remains the same as the prior year. In addition, the State Treasurer is required to transfer an additional amount at the beginning of the fiscal year equal to the DOLA’s projected direct and indirect costs of administering the Local Government Limited Gaming Impact Grant Program; any unspent money from this transfer reverts to the Local Government Limited Gaming Impact Fund.

Limited Gaming revenues declined sharply in FY 2019-20 due to COVID-19 related casino closures. The General Assembly subsequently passed H.B. 20-1399 (Suspend Limited Gaming Tax Transfers to Cash Funds) to address revenue shortfalls. The bill suspended all statutory formula distributions for FY 2019-20 and FY 2020-21 and instead made General Fund appropriations to certain cash funds in FY 2020-21. The Local Government Limited Gaming Impact Fund received a \$1,875,000 General Fund appropriation, and approximately \$1,710,192 is available to make grants after paying the direct and indirect costs of administering the program. Due to the changes in H.B. 20-1399, staff recommends showing the General Fund appropriation to the Local Government Limited Gaming Impact Fund on a separate, new line item, and using the existing line to show the \$1,710,192 available for grants as reappropriated funds.

The money available for grants is distributed under the authority of the Executive Director of DOLA to eligible local governmental entities upon their application for grants to finance planning, construction, and maintenance of public facilities and the provision of public services related to the documented gaming impacts resulting from limited gaming permitted in Gilpin and Teller counties and on Indian lands. Statute specifies that, at the end of any fiscal year, all unexpended and unencumbered moneys in the Limited Gaming Impact Account remain available for expenditure without further appropriation by the General Assembly.

*STATUTORY AUTHORITY:* Sections 44-30-1301 (1)(a), C.R.S. [Local Government Limited Gaming Impact Fund and the Limited Gaming Impact Account; 44-30-701 (2)(a)(III), C.R.S. [allocation from the Limited Gaming Fund]

*REQUEST:* The Department requests continuation of the \$1,875,000 General Fund appropriation provided by H.B. 20-1399, as well as \$1,710,192 reappropriated funds to make grants.

*RECOMMENDATION:* **Staff recommends approving the request**, which includes two separate line items for the General Fund appropriation and spending authority to make grants.

DIVISION OF LOCAL GOVERNMENT, FIELD SERVICES, LOCAL GOVERNMENT LIMITED GAMING IMPACT GRANTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$5,127,850	\$0	\$5,127,850	\$0	\$0	0.0
Other legislation	(3,417,658)	0	(5,127,850)	1,710,192	0	0.0
<b>TOTAL</b>	<b>\$1,710,192</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,710,192</b>	<b>\$0</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$1,710,192	\$0	\$0	\$1,710,192	\$0	0.0
<b>TOTAL</b>	<b>\$1,710,192</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,710,192</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$1,710,192</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,710,192</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

### LOCAL GOVERNMENT GEOTHERMAL ENERGY IMPACT GRANTS

Senate Bill 10-174 created the Geothermal Resource Leasing Fund in response to 2007 regulations by the federal Department of the Interior that were designed to promote geothermal energy development on public lands.

Pursuant to federal regulations, geothermal lease revenue from sales, bonuses, royalties, leases, and rentals is distributed 50.0 percent to the states and 25.0 percent to local counties. Counties in which there are geothermal leases receive a direct federal distribution for their share of revenue. The State's share is transferred to the State Treasurer's Office for deposit to the Geothermal Resource Leasing Fund. The Fund is available for appropriation to the Department for grants to state agencies, school districts, and political subdivisions of the state affected by the development and production of geothermal resources.

In FY 2014-15, the General Assembly approved a request for spending authority from the Geothermal Resource Leasing Fund for grants to local authorities for planning or providing facilities and services necessitated by geothermal resource development. The Department indicated it would use policies and procedures like those used for the existing Energy Impact Assistance Grant Program to make awards. No grants have ever been awarded from the Fund.

*STATUTORY AUTHORITY:* Section 34-63-105, C.R.S.

*REQUEST:* The Department requests no appropriation in this line item, which is an elimination of previous years' \$50,000 cash fund appropriation from the Geothermal Resource Leasing Fund.

*RECOMMENDATION:* **Staff recommends denying the request** based on the analysis of the Department's R6 request on page 46 of this document.

## RURAL ECONOMIC DEVELOPMENT INITIATIVE GRANTS

This program helps eligible rural communities develop plans and undertake projects to create jobs, drive capital investment, and increase wages to create more resilient and diverse local economies. This program was initially created in FY 2013-14 when the General Assembly added \$3.0 million for this purpose through the Long Bill in response to threatened prison closures in rural areas. Although no prisons closed at that time, the funds were still used to promote local economic resiliency.

Funding of \$750,000 General Fund was again added by the General Assembly in FY 2015-16 through a Long Bill amendment, and this funding has been continued annually. Prior to S.B. 20-002 (Rural Economic Development Initiative Grant Program), there was no separate statutory authority for this program. The bill specifies criteria that the Department is required to consider when evaluating grant applications and requires prioritization of applications that would create new jobs. It also specifies the types of projects for which REDI grants may be awarded, requires grant recipients to provide matching funds, and directs DOLA to administer the program in consultation with the Colorado Office of Economic Development.

*STATUTORY AUTHORITY:* Section 24-32-128, C.R.S.

*REQUEST:* The Department requests a \$780,000 General Fund appropriation, which is a continuation level of funding.

*RECOMMENDATION:* **Staff recommends approving the request.**

## SEARCH AND RESCUE PROGRAM

The Search and Rescue Program reimburses political subdivisions for the costs incurred in search and rescue operations, and provides partial funding for search and rescue equipment. The cash fund that supports the program receives revenue from a statutory \$0.25 surcharge on hunting and fishing licenses, boat registrations, snowmobile registrations, and off-highway vehicle registrations. The program also receives funding from other outdoor recreational users, such as hikers, bikers, cross country skiers, and climbers who voluntarily purchase a Colorado Outdoor Recreation Search and Rescue Card for \$3 for one year or \$12 for five years.

*STATUTORY AUTHORITY:* Section 33-1-112.5, C.R.S.

*REQUEST:* The Department requests \$625,903 cash funds and 1.3 FTE, which is a continuation level of funding.

*RECOMMENDATION:* **Staff recommends approving the request.**



## GRAY AND BLACK MARKET MARIJUANA ENFORCEMENT GRANT PROGRAM

The Gray and Black Market Marijuana Enforcement Grant Program provides funding to local law enforcement agencies and district attorneys to cover costs associated with the investigation and prosecution of unlicensed and illegal marijuana cultivation or distribution operations pursuant to H.B. 17-1221 (Grey and Black Market Marijuana Enforcement Efforts). The Division of Local Government is required to prioritize grants to provide necessary financial assistance to local law enforcement agencies and district attorneys in rural areas<sup>6</sup> and to support the investigation and prosecution of unlicensed and illegal operations that are large-scale, involve organized crime, or divert marijuana outside of Colorado.

The Program is supported by annual appropriations from the Marijuana Tax Cash Fund. Any unexpended and unencumbered money from an appropriation remains available for expenditure by the Division over the next fiscal year without further appropriation. The program received an annual appropriation of approximately \$6.0 million from FY 2017-18 to FY 2019-20, before being reduced to just under \$1.0 million in FY 2020-21.

In response to an initially low level of demand, the Department worked with the State Controller's Office to change the method of financial assistance from a reimbursement model to a formula-based distribution model during FY 2018-19. Under the new model, local governments interested in receiving funds from the Grant Program opt-in to receive funding, and then later provide the Department with information on how the funding was utilized for the investigation and prosecution of unlicensed marijuana. Unspent funds will be utilized for future grant recipients or returned to the MTCF at the end of the year.

*STATUTORY AUTHORITY:* Section 24-32-119, C.R.S.

*REQUEST:* The Department requests \$950,673 cash funds from the Marijuana Tax Cash Fund and 2.5 FTE.

*RECOMMENDATION:* **Staff recommends approving the request**, which includes a \$4.0 million reduction requested in R2, as described in staff's analysis on page 43 of this document.

DIVISION OF LOCAL GOVERNMENT, FIELD SERVICES, GRAY AND BLACK MARKET MARIJUANA ENFORCEMENT GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$950,673	\$0	\$950,673	\$0	\$0	2.5
<b>TOTAL</b>	<b>\$950,673</b>	<b>\$0</b>	<b>\$950,673</b>	<b>\$0</b>	<b>\$0</b>	<b>2.5</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$950,673	\$0	\$950,673	\$0	\$0	2.5
Annualize prior year budget actions	4,000,000	0	4,000,000	0	0	0.0

<sup>6</sup> A rural area is defined as a county with a population of less than 200,000 people or a municipality with a population of less than 30,000 people that is located 10 miles or more from a municipality with a population of more than 50,000 people.

DIVISION OF LOCAL GOVERNMENT, FIELD SERVICES, GRAY AND BLACK MARKET MARIJUANA ENFORCEMENT GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R2 Gray & Black Market Marijuana Enforcement restructure	(4,000,000)	0	(4,000,000)	0	0	0.0
<b>TOTAL</b>	<b>\$950,673</b>	<b>\$0</b>	<b>\$950,673</b>	<b>\$0</b>	<b>\$0</b>	<b>2.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$950,673</b>	<b>\$0</b>	<b>\$950,673</b>	<b>\$0</b>	<b>\$0</b>	<b>2.5</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## HB 17-1326 CRIME PREVENTION INITIATIVE GRANTS

### Background Information – H.B. 17-1326

House Bill 17-1326 established a grant program and a small business loan program designed to reduce crime and promote community development in the target communities of north Aurora and southeast Colorado Springs. The act included an appropriation clause that reduced General Fund appropriations to the Department of Corrections for FY 2017-18 by a total of \$5,865,182 General Fund based on the projected impact of various changes to parole and appropriated the same amount of General Fund to the Department of Local Affairs for several purposes.

General Fund appropriations to the Division's Field Services, Program Costs line item and to centrally appropriated line items support 1.0 FTE to oversee both the grant and loan programs. The loan program is no longer receiving new appropriations due to underutilization, but continues to operate with the goal of expending funds that have already been appropriated to meet anticipated loan demand until the program is repealed. Senate Bill 19-064 (Retain Criminal Justice Programs Funding) extended the repeal date for both programs from September 1, 2020 to September 1, 2023.

### Grant Program

This line item supports the grant program. The Division was required to issue a request for participation to select one or more community foundations to manage a grant program that supports:

- academic improvement programs;
- community-based services;
- community engagement programs;
- increasing safety and usability of common outdoor-spaces programs;
- technical assistance related to data collection, data analysis, and evaluation; and
- administrative costs of the foundation.

The program was appropriated \$3.0 million General Fund annually since FY 2017-18 until being reduced to \$2.0 million in FY 2020-21. In FY 2019-20, 43 organizations in the target communities of North Aurora and southeast Colorado Springs received funding through this line item. Grants focus on recidivism reduction, substance use, safety for homeless persons, trafficking prevention, and addressing systemic causes of disparities. Geographic diversity, makeup of the organization (i.e. minority led), and diversity of persons served are all considered in grant criteria. The Denver Foundation, the organization that oversees the program, reports that only 21 grantees received funding in FY 2020-21 due to the reduction.

The Division is required to transfer to the community foundation(s) up to 4.0 percent of the appropriation for the grant program to cover the foundation's costs of managing the grant program. House Bill 17-1326 included a provision stating that, "any unexpended funds are not subject to reversion to the state and may be allocated in the subsequent fiscal year". Thus, any unexpended appropriations are statutorily "rolled forward" to the next fiscal year and available for expenditure without any further appropriation. The program has expended its full appropriation each year since its inception.

*STATUTORY AUTHORITY:* Section 24-32-120 (2), C.R.S.

*REQUEST:* The Department requests a \$2,000,000 General Fund appropriation, which continues to incorporate the \$1,000,000 million reduction made as a 2020 budget balancing action.

*RECOMMENDATION:* **Staff recommends approving the request,** per the analysis of R3 on page 44.

DIVISION OF LOCAL GOVERNMENT, FIELD SERVICES, HB 17-1326 CRIME PREVENTION INITIATIVE GRANTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$2,000,000	\$2,000,000	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$2,000,000	\$2,000,000	\$0	\$0	\$0	0.0
Annualize prior year budget actions	1,000,000	1,000,000	0	0	0	0.0
R3 Crime Prevention Initiative Grants continued adjustment	(1,000,000)	(1,000,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## APPROPRIATION TO THE PEACE OFFICERS MENTAL HEALTH SUPPORT FUND and PEACE OFFICERS MENTAL HEALTH SUPPORT GRANT PROGRAM

House Bill 17-1215 established the Peace Officers Mental Health Support Grant Program to provide grants to county sheriffs' offices and municipal police departments for the purpose of helping these agencies engage mental health professionals who can provide:

- On-scene response services to support peace officers' handling of persons with mental health disorders; and
- Counseling services to peace officers.

County sheriffs' offices and municipal police departments that apply for grants are encouraged to do so, to the extent possible, in collaboration with the community mental health centers in their regions.

The General Assembly appropriated \$2,000,000 General Fund for FY 2020-21 for this program. This amount is credited to the Peace Officers Mental Health Support Fund, so the Department receives a corresponding \$2,000,000 appropriation from reappropriated funds. The Department is authorized to use up to 5.0 percent of the money annually appropriated for the program (currently \$100,000) to pay the direct and indirect costs of administering the program.

In FY 2018-19, the first year of operation, \$1,356,115 was awarded. All unexpended and unencumbered money remains in the Peace Officers Mental Health Support Fund at the end of any fiscal year and can be used for future cycles. The Program awarded \$2,040,142 in FY 2019-20, and \$1,987,817 in FY 2020-21.

*STATUTORY AUTHORITY:* Section 24-32-3501, C.R.S.

*REQUEST:* The Department requests a continuation of the existing appropriation of \$2,000,000 General Fund into the Peace Officers Mental Health Support Fund, and a corresponding \$2,000,000 and 1.0 FTE appropriation out of this cash fund.

*RECOMMENDATION:* **Staff recommends approving the request.**

## DEFENSE COUNSEL ON FIRST APPEARANCE GRANT PROGRAM

House Bill 18-1353 established the Defense Counsel on First Appearance Grant Program to provide grants to reimburse local governments, in part or in full, for costs associated with the provision of defense counsel to defendants at their first appearances in municipal courts. This line item provides funding for the Program, including related administrative expenses. Approximately \$1.8 million is set aside for grant awards annually, and unspent funds remain in the program for the following year.

*STATUTORY AUTHORITY:* Sections 13-10-114.5 [requirement to provide legal representation] and 24-32-123 [grant program], C.R.S.

*REQUEST:* The Department requests \$1,309,520 General Fund and 0.5 FTE.

*RECOMMENDATION:* **Staff recommends approving the request**, including the reduction of \$687,625 requested in R2 discussed in detail in staff's analysis on page 41 of this document.

This program was established by H.B. 18-1353 (Defense Counsel in Municipal Court Grant Program) to reimburse local governments for the costs associated with the provision of defense counsel to defendants making their first appearances in municipal courts pursuant to Section 13-10-114.5, C.R.S. Reimbursements are set at a uniform rate of \$75 per hour. The Program has struggled to expend its annual appropriation; CORE records show \$211,561 expended in FY 2018-19 and \$552,472 expended in FY 2019-20. Unspent funds roll-forward and are available for expenditure the following year.

Funding for the DCFA Grant Program was reduced by \$1,560,000 General Fund in FY 2019-20 as part of the Governor's sequestration order. Despite the sequestration, nearly a million dollars rolled-

forward into FY 2020-21, and \$533,097 of the FY 2018-19 appropriation reverted to the General Fund. The appropriation for FY 2020-21 was reduced from the requested amount of \$1,997,145 to \$1,000,000 for budget balancing purposes. Despite these reductions, the Department expects some portion of the FY 2020-21 appropriation to roll-forward into FY 2021-22.

DIVISION OF LOCAL GOVERNMENT, FIELD SERVICES, DEFENSE COUNSEL ON FIRST APPEARANCE GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	\$1,000,000	\$1,000,000	\$0	\$0	\$0	0.5
<b>TOTAL</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.5</b>
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	\$1,000,000	\$1,000,000	\$0	\$0	\$0	0.5
Annualize prior year budget actions	997,145	997,145	0	0	0	0.0
R1 Defense Counsel on First Appearance Grant Program realignment	(687,625)	(687,625)	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,309,520</b>	<b>\$1,309,520</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$309,520</b>	<b>\$309,520</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	31.0%	31.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2021-22 EXECUTIVE REQUEST</b>	<b>\$1,309,520</b>	<b>\$1,309,520</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.5</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## CENSUS OUTREACH GRANT PROGRAM

House Bill 19-1239 creates the 2020 Census Outreach Grant Program within DOLA's Division of Local Government to provide grants to eligible recipients in order to support an accurate census count in 2020. Eligible recipients may use the awarded grant money to conduct education, outreach, and promotion activities to target hard-to-reach communities and increase the census response rate. The bill also creates a seven-member 2020 Census Outreach Grant Program Committee to review and make recommendations concerning grant applications, and requires DOLA and the Office of the Governor to develop a strategic action plan for outreach, education, and promotion of a successful decennial census count by May 1, 2026, and every 10 years thereafter. H.B. 19-1239 appropriates \$6.0 million General Fund to DOLA for FY 2019-20 and \$85,984 for FY 2020-21.

*STATUTORY AUTHORITY:* Section 24-32-125 [Census outreach grant program] and Section 24-32-126 [Strategic action plan for upcoming decennial census], C.R.S.

*REQUEST:* The Department requests no funding for this line item.

*RECOMMENDATION:* **Staff recommends approving the request.**

## LAW ENFORCEMENT COMMUNITY SERVICES GRANT PROGRAM

House Bill 18-1020 makes changes to civil asset forfeiture reporting requirements and establishes two law enforcement grant programs:

- The *Law Enforcement Assistance Grant Program*, administered by the Department of Public Safety, reimburses local governments for revenue lost from the changes established under HB17-1313. Seizing agencies can apply for grants for up to the amount of revenue they would have received prior to the passage of HB 17-1313 (Civil forfeiture reform). These agencies may only use awarded grant funds for purposes permissible under federal equitable sharing guidelines, such as operations and investigations, training and education, equipment and supplies, joint law enforcement and public safety operations, and community-based programs. Beginning August 1, 2019, agencies must annually report how grant funds were used, and the Department of Public Safety must report annually to the General Assembly on this program beginning October 1, 2019. The act appropriated \$1,487,821 cash funds from the Marijuana Tax Cash Fund (and 1.0 FTE) to the Department of Public Safety for FY 2019-20.
- The *Law Enforcement Community Services Grant Program*, administered by the Department of Local Affairs (DOLA) is created to provide funding to law enforcement entities, local governments, and community organizations to improve services to communities through community policing and outreach; drug intervention, prevention, treatment, and recovery; technology; training; and other community services. The act creates a 17-member Law Enforcement Community Services Grant Program Committee (which includes two legislators) to make recommendations to DOLA's Executive Director concerning which grants should be approved.

This line item supports the DOLA Grant Program. This program will be subject to available appropriations from the newly created Law Enforcement Community Services Grant Program Fund. This fund will consist of:

- any gifts, grants, or donations received by the Division of Local Government for this program;
- 25 percent of the proceeds from personal property that is seized a part of a criminal investigation; and
- any other money that the General Assembly may appropriate to the Fund.

DOLA is not required to implement this program until it receives “sufficient funds”. The Legislative Council Staff Fiscal Note for H.B. 18-1020 estimated that \$500,000 in revenue will be transferred to the Fund each year from civil forfeiture proceeds, and the first grant awards would be made in FY 2020-21. The Fund collected \$493,790 between its inception on July 1, 2018 and October 1, 2020, which was significantly short of projected revenue. The Department has already hired an employee to get the program up and running, as \$69,705 and 1.0 FTE was approved for FY 2019-20, increasing to \$72,227 in FY 2020-21. The Department projects the LECS Grant Program Fund will have a balance of approximately \$585,000 at the close of FY 2020-21, and that \$200,000 is a reasonable amount to award in the first grant cycle without totally depleting the Fund's balance.

*STATUTORY AUTHORITY:* Section 24-32-124, C.R.S.

*REQUEST:* The Department requests \$272,227 cash funds and 1.0 FTE. The request includes a \$200,000 increase associated with R5 for the inaugural grant cycle.

*RECOMMENDATION:* **Staff recommends approving the request**, including the R5 increase.

#### COMMUNITY SUBSTANCE USE AND MENTAL HEALTH SERVICES GRANT PROGRAM

House Bill 19-1263 reclassifies several existing drug felonies as drug misdemeanors, reduces the fine penalties and jail terms for drug misdemeanors, and makes several other changes to sentencing for drug offenses. The bill also creates a substance use and mental-health treatment grant program to be administered by DOLA. Beginning in FY 2020-21, H.B. 19-1263 requires the General Assembly to appropriate at least \$1.8 million General Fund to DOLA annually from estimated savings resulting from the bill for the purpose of proving grants. Funding for the grant program was provided through a new line item in H.B. 20-1360 (Long Bill) but was simultaneously revoked by H.B. 20-1371 (Delay Substance Use and Mental Health Services Grant Program), which makes the program subject to available appropriations.

*STATUTORY AUTHORITY:* Section 24-32-127, C.R.S.

*REQUEST:* The Department requests no funding for this line item.

*RECOMMENDATION:* **Staff recommends approving the request.**

#### (C) INDIRECT COST ASSESSMENTS

This line reflects the amount of statewide and departmental indirect cost assessments within this division. Statewide indirect cost assessments are charged to cash and federal programs for statewide overhead costs (such as those generated by the Department of Personnel), and then the assessments are used in administrative divisions to offset General Fund appropriations. Departmental indirect cost assessments are charged to cash and federally funded programs for departmental overhead costs.

The funds are currently used to offset General Fund in the Executive Director's Office.

*STATUTORY AUTHORITY:* Colorado Fiscal Rules #8-3; Section 24-75-1401, C.R.S. [Indirect Costs Excess Recovery Fund]

*REQUEST:* The Department requests \$620,831 total funds.

*RECOMMENDATION:* **Staff recommends appropriating \$824,592 total funds based on the Department's updated indirect cost plan.** [More information about the Department's indirect cost assessments is provided at the end of this packet.]

## LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

### LONG BILL FOOTNOTES

Staff recommends **continuing** the following Long Bill footnotes:

- 80 Department of Local Affairs, Executive Director's Office, Moffat Tunnel Improvement District -- It is the General Assembly's intent that the Department continue its current practice of retaining lease payment revenues in the Moffat Tunnel Cash Fund and suspending distribution payments to Improvement District counties because this practice ensures that funds remain available to cover any potential Improvement District liabilities related to the Tunnel and any costs related to studies or other actions that need to occur prior to the expiration of the lease with Union Pacific Railroad in 2025 in order to protect the interests of the Improvement District and the State.

**COMMENT:** This footnote was first included in the FY 2018-19 Long Bill. The Union Pacific lease expires in 2025 and current statute contemplates the sale of this asset. At this time, the Department does not have any plans to sell the District's assets or to renegotiate the current lease agreements with Union Pacific Railroad or Century Link. If the General Assembly is genuinely interested in selling these assets, the Department would need to consult with an engineering firm familiar with railroad assets to determine the steps required to organize those assets for sale.

Under current law, lease payment revenue from the property is to be distributed to the nine Improvement District counties (Adams, Boulder, Denver, Eagle, Gilpin, Grand, Jefferson, Moffat, and Routt) after the Department has set aside sufficient revenue for administrative costs. In light of the information provided in response to a 2017 request for information, the Committee added this footnote to express the General Assembly's intent that the Department continue its practice of retaining lease payment revenues in the Moffat Tunnel Cash Fund and suspending distribution payments to Improvement District counties.

- 81 Department of Local Affairs, Division of Housing -- It is the General Assembly's intent that the Department target state General Fund appropriations for affordable housing to projects and clients that can be reasonably expected to reduce other State costs. It is the General Assembly's further intent that the Department prioritize State-funded rental assistance for the following populations: Medicaid clients who are transitioning from a nursing home or long-term care facility; clients transitioning from a State Mental Health Institute or a State-funded behavioral healthcare facility; and clients transitioning from the Department of Corrections, the Division of Youth Services in Department of Human Services, or a county jail.

**COMMENT:** This footnote expresses legislative intent, and was first included in the FY 2015-16 Long Bill. Further detail regarding types of clients to be targeted for rental assistance was included in the FY 2019-20 Long Bill.



- 82 Department of Local Affairs, Division of Housing, Community and Non-Profit Services, Community Services, Low Income Rental Subsidies; Field Services, Affordable Housing Construction Grants and Loans pursuant to Section 24-32-721, C.R.S.; and Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice Systems -- It is the General Assembly's intent that the Department record expenditures for rental vouchers issued by the Division of Housing within the Low Income Rental Subsidies line item.

**COMMENT:** This footnote was first included in the FY 2017-18 Long Bill to state the General Assembly's intent that when the Department utilizes a portion of the "Affordable Housing Construction Grants and Loans" line item appropriation for rental vouchers, it record the related expenditures within the "Low Income Rental Subsidies" line item. This footnote is intended to improve transparency by requesting that the Department separately report rental voucher expenditures and expenditures for construction grants and loans. For FY 2019-20, the Department utilized \$2,220,868 of the amount appropriated from the Marijuana Tax Cash Fund for this purpose.

Background Information – Appropriations from the Marijuana Tax Cash Fund

The Department requested and received an appropriation from the Marijuana Tax Cash Fund for FY 2017-18 as part of the Affordable Housing Construction Grants and Loans line item. The requested funds were intended to be used for a mix of housing development subsidies, rental assistance (both tenant-based and project-based housing vouchers), and related administrative expenses. The request was intended to address the housing needs of two populations:

- individuals transitioning from or at risk of entering hospitals or the state mental health institutes; and
- individuals who are homeless or at risk of homelessness, including veterans, youth, and people transitioning to the community from the Department of Corrections, the Division of Youth Services in the Department of Human Services, or a county jail.

The General Assembly continued this \$15.3 million appropriation in each subsequent Long Bill. More information about affordable housing expenditures is available in the Department's FY 2020-21 Request for Information #1.

Background Information – Statutory Authority Related to the Affordable Housing Construction Grants and Loans Line Item

The Housing Development Grant Fund consists of money appropriated to the "Colorado Affordable Housing Construction Grants and Loan Fund" and other grants and donations received by the Division of Housing for purposes consistent with Section 24-32-721, C.R.S. Money in the Housing Development Grant Fund is continuously appropriated to the Division for the purpose of making a *grant or loan* to "improve, preserve, or expand the supply of affordable housing in Colorado as well as to fund the acquisition of housing and economic data necessary to advise the [State Housing Board] on local housing conditions". The Division is also authorized to:

- Annually transfer up to 20.0 percent of the Housing Development Fund balance to the Housing Investment Trust Fund, which is available for the Division to make loans for development or redevelopment costs for low- or moderate-income housing; and
- Spend up to 3.0 percent of the money appropriated from the Housing Development Fund for the Divisions' related *administrative costs*.

Senate Bill 17-021 added subsection (4) to Section 24-32-721, C.R.S., to authorize the Division to establish a program that provides *rental vouchers* and *other support services* for housing assistance for a person with a mental health disorder or co-occurring behavioral health disorder who is transitioning from the Department of Corrections, the Division of Youth Services in the Department of Human Services, or a county jail into the community.

This subsection also requires the Division to provide grants or loans for the acquisition, construction, or rehabilitation of rental housing for persons with behavioral or mental health disorders.

Finally, this subsection creates the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund to provide housing assistance for persons with behavioral or mental health disorders who are transitioning from incarceration. This fund is subject to annual appropriation by the General Assembly.

- 83 Department of Local Affairs, Division of Housing, Field Services, Affordable Housing Program Costs; and Affordable Housing Construction Grants and Loans pursuant to Section 24-32-721, C.R.S. -- It is the General Assembly's intent that appropriations for State administration of affordable housing construction grants and loans, including administration funding authorized pursuant to Section 24-32-721(3)(b), C.R.S., be expended in the Affordable Housing Program Costs line item.

**COMMENT:** This footnote was first included in the FY 2017-18 Long Bill to state the General Assembly's intent that when the Department utilizes a portion of the "Affordable Housing Grants and Loans" line item appropriation for administrative purposes, it record the related expenditures within the "Affordable Housing Program Costs" line item. This footnote is intended to improve transparency by requesting that the Department separately report administrative expenditures and expenditures for construction grants and loans and rental vouchers.

- 84 Department of Local Affairs, Division of Local Government, Field Services, Program Costs - It is the General Assembly's intent that \$462,500 of the reappropriated funds in this line item appropriation be used for the Colorado Main Street Program.

**COMMENT:** This footnote expresses legislative intent, and was first included in the FY 2019-20 Long Bill.

Staff recommends **eliminating** the following footnotes:

- ~~79 Department of Local Affairs, Executive Director's Office, Administration, Health, Life, and Dental -- The General Fund appropriation includes a decrease of \$235,018 that is equal to 5.0 percent of the General Fund portion of estimated base salary for the Department. The reduction in this General Fund appropriation is in lieu of a 5.0 percent personal services base reduction and provides the Department with increased flexibility to absorb the reduction and engage in more considered targeted reductions across all department divisions and programs. This reduction is not intended to reduce the Health, Life, and Dental benefit provided to state employees. It is the General Assembly's intent that Health, Life, and Dental costs for~~

~~employees, as approved in budget actions, be fully paid within personal services appropriations augmented by Department allocations from central benefits appropriations~~

**COMMENT:** This footnote explains assumptions used in determining the amount of the FY 2020-21 appropriation for Health, Life, and Dental. The footnote describes the adjustment made as a statewide compensation balancing action, and is no longer relevant for FY 2021-22. This item is addressed in the Statewide Compensation briefing document.

~~83a Department of Local Affairs, Division of Local Government – The General Assembly’s intent is that the Governor allocate as grants to the 59 counties that did not receive direct allocations from the Coronavirus Relief Fund any of the \$1.6 billion federal funds allocated to the State from the Coronavirus Relief Fund under Title VI of the federal Social Security Act that the Governor has allocated but that recipients cannot spend because such expenditures are deemed not COVID-related or otherwise inconsistent with federal requirements for the use of these funds.~~

**COMMENT:** This footnote was added to the FY 2020-21 Long Bill by a Long Bill amendment to express legislative intent.

~~85 Department of Local Affairs, Division of Local Government, Field Services, Rural Economic Development Initiative Grants – This appropriation remains available until the close of the 2021-22 state fiscal year.~~

**COMMENT:** This footnote was first added to the FY 2016-17 Long Bill; the Rural Economic Development Initiative (REDI) grant program was established through a FY 2015-16 Long Bill amendment. REDI grants fund economic strategic planning, infrastructure improvements, and entrepreneurial initiatives for local governments. Senate Bill 20-002 (Rural Economic Development Initiative Grant Program) created specific statutory authority for the REDI program and granted roll-forward authority (Section 24-32-202 (6)(a), C.R.S.): “Any money not expended or encumbered from any appropriation at the end of any fiscal year shall remain available for expenditure by the department for the purposes of this section in the next fiscal year without further appropriation.” In light of the new statutory authority, a footnote granting roll-forward authority is no longer necessary.

## REQUESTS FOR INFORMATION

Staff recommends **adding** the following RFI:

- 1 Department of Local Affairs, Division of Housing, Affordable Housing Program Costs, -- The Department is requested to submit a report by November 8, 2021 summarizing transfers to the Housing Development Grant Fund for FY 2019-20 and FY 2020-21. This includes, but is not limited to, transfers from H.B. 19-1245 (Affordable Housing Funding from Vendor Fee Changes), H.B. 19-1322 (Expand Supply of Affordable Housing), H.B. 20-1410 (COVID-19-related Housing Assistance), H.B. 20-1427 (Cigarette Tobacco and Nicotine Products Tax), and S.B. 20B-002 (Housing and Direct COVID Emergency Assistance). The report should summarize the amount and date of each transfer, administrative costs and FTE supported by each source of funding, and projects identified for each funding stream.

Staff recommends **continuing and modifying** the following RFI (changes shown in struck type):

- 1 Department of Local Affairs, Division of Housing -- The Department is requested to submit a report by September 1, ~~2020~~, 2021 concerning its affordable housing programs. The report should specifically address:
  - the projects funded in FY ~~2019-20~~ 2020-21 with appropriations for Affordable Housing Construction Grants and Loans pursuant to Section 24-32-721, C.R.S., and projects funded in FY ~~2019-20~~ 2020-21 with the appropriation for housing assistance for persons transitioning from the criminal or juvenile justice systems;
  - the per-unit costs of these projects for both state funds and other funds;
  - how the projects funded from the General Fund align with the goals outlined in the Department's FY 2014-15 budget request to "end homelessness for veterans and chronically homeless" and "ensure sufficient affordable housing for persons with the lowest incomes"; and what progress the State has made in achieving each of these goals; and
  - how the Marijuana Tax Cash Fund appropriation has been used for populations and services that are consistent with Section 39-28.8-501 (2)(b)(IV)(N), C.R.S.

**COMMENT:** This annual report provides the General Assembly with detailed information about the use of appropriations for affordable housing. Staff provided a summary of the most recent report in the staff budget briefing document, dated November 20, 2020.

Staff recommends **discontinuing** the following RFI:

- 2 ~~Department of Local Affairs, Division of Housing, Community and Non-Profit Services, Community Services, Low Income Rental Subsidies -- The Department is requested to submit a report by December 1, 2020, that summarizes monthly expenditures of General Fund appropriations in FY 2019-20 for rental subsidies for the Colorado Choice Transitions (CCT) program. The report should include the following associated data for each month in FY 2019-20:~~
  - ~~• the number of CCT clients leased up with State-funded housing vouchers;~~
  - ~~• the number of CCT clients searching for housing with a State-funded voucher;~~
  - ~~• the number of CCT clients leased up with federally-funded vouchers or federally-funded project-based rental assistance; and~~
  - ~~• the number of CCT clients searching for housing with federally-funded resources.~~

**COMMENT:** This request for information asked the Department to submit a report concerning the number and cost of CCT vouchers for FY 2019-20 and previously, FY 2018-19. The Department of Health Care Policy and Financing (HCPF) submitted a related report concerning healthcare savings resulting from the CCT program for FY 2018-19, but the request was discontinued in FY 2019-20. Staff recommends discontinuing this request.

## INDIRECT COST ASSESSMENTS

### DESCRIPTION OF INDIRECT COST ASSESSMENT METHODOLOGY

The Department of Local Affairs' indirect cost assessment methodology is calculated based on three components: an “Indirect Cost Pool”, an “Indirect Cost Base”, and an “Indirect Cost Rate”. The Department’s plan is negotiated with the federal Department of Housing and Urban Development, which oversees most of the Department’s federal grants.

### INDIRECT COST POOL

The Indirect Cost Pool is comprised of approved division level costs that provide support either to the entire department through the Executive Director’s Office (EDO) or to individual divisions through program and personal services lines. The Indirect Cost Pool is based on the most recently available actual costs, which results in a two-year lag time. For example, FY 2020-21 pool is based on actual expenditures in FY 2018-19. The pool also includes the Department’s allocation of statewide indirect costs, as well as fixed asset depreciation, leave costs, and indirect cost carry-forward adjustments.

### INDIRECT COST BASE

The Department uses eligible personal services costs to calculate the Indirect Cost Base, which is used in determining the proportional allocation of the Total Recoverable Indirect Cost Pool to divisions.

### INDIRECT COST RATE

The Department calculates an Indirect Cost Rate for each division by dividing the Indirect Cost Pool by the Indirect Cost Base. The Indirect Cost Rate is multiplied by the projected salary and fringe benefits by funding source to determine the estimated indirect cost assessment for each division. Table 1 shows the estimated indirect cost assessment for FY 2021-22 for each division by fund source. The figures in this table are based on the Department’s updated indirect cost rates for FY 2021-22 and its requested appropriations for FY 2021-22.

TABLE 1: INDIRECT COST ASSESSMENTS FOR FY 2021-22 PER DOLA UPDATE				
DESCRIPTION	TOTAL FUNDS	CASH FUND SOURCES	REAPPROPRIATED FUND SOURCES	FEDERAL FUND SOURCES
<b>State Demography Office</b>				
Conservation Trust Fund	\$13,071	\$10,651	\$0	\$2,420
<b>Subtotal - State Demography Office</b>	<b>\$13,071</b>	<b>\$10,651</b>	<b>\$0</b>	<b>\$2,420</b>
<b>Division of Property Taxation</b>				
Local Government Severance Tax Fund	\$21,038	\$0	\$21,038	\$0
Local Government Mineral Impact Fund	17,213	0	17,213	0
Property Tax Exemption Fund	146,947	146,947	0	0
Board of Assessment Appeals Cash Fund	5,525	5,525	0	0
<b>Subtotal - Property Taxation</b>	<b>\$190,723</b>	<b>\$152,472</b>	<b>\$38,251</b>	<b>\$0</b>
<b>Division of Housing</b>				
Local Government Severance Tax Fund	167,964	0	167,964	0

TABLE 1: INDIRECT COST ASSESSMENTS FOR FY 2021-22 PER DOLA UPDATE

DESCRIPTION	TOTAL FUNDS	CASH FUND SOURCES	REAPPROPRIATED FUND SOURCES	FEDERAL FUND SOURCES
Local Government Mineral Impact Fund	133,437	0	133,437	0
Marijuana Tax Cash Fund (transferred from Affordable Housing Construction Grants and Loans line item)	49,248	0	49,248	0
General Fund (transferred from Affordable Housing Construction Grants and Loans line item)	53,058	0	53,058	0
Medicaid funds transferred from HCPF (transferred from Affordable Housing Construction Grants and Loans line item)	50,699	0	50,699	0
Building Regulation Fund	115,967	115,967	0	0
Private Activity Bond Allocations Fund	28,011	28,011	0	0
Homeless Prevention Activities Program Fund	2,471	2,471	0	0
Federal grants	446,663	0	0	446,663
<b>Subtotal - Housing</b>	<b>\$1,047,518</b>	<b>\$146,449</b>	<b>\$454,406</b>	<b>\$446,663</b>
<b>Division of Local Government</b>				
Local Government Severance Tax Fund	314,276	0	314,276	0
Local Government Mineral Impact Fund	257,135	0	257,135	0
Colorado Water Resource & Power Development Authority, Water Pollution Control Revolving Fund	40,848	40,848	0	0
Conservation Trust Fund	41,254	41,254	0	0
Local Government Limited Gaming Impact Fund	16,748	0	16,748	0
Search and Rescue Fund	17,986	17,986	0	0
Marijuana Tax Cash Fund	39,452	39,452	0	0
Law Enforcement Community Services Grant	14,813	14,813	0	0
Community Development Block Grant	58,439	0	0	58,439
Community Services Block Grant	13,590	0	0	13,590
Other Federal Funds	10,052	0	0	10,052
<b>Subtotal - Local Government</b>	<b>\$824,592</b>	<b>\$154,352</b>	<b>\$588,159</b>	<b>\$82,081</b>
<b>Total Indirect Cost Assessments</b>	<b>\$2,075,904</b>	<b>\$463,924</b>	<b>\$1,080,816</b>	<b>\$531,164</b>

## USE OF INDIRECT COST COLLECTIONS TO REDUCE GENERAL FUND APPROPRIATIONS

Indirect cost assessments are applied in certain line items to offset General Fund that would otherwise be required. For FY 2021-22, the Department wishes to increase the balance in its Indirect Cost Excess Recoveries Fund, which is projected to be near zero at the close of FY 2020-21. As a result, use of total indirect costs will be less than the FY 2021-22 projections reflected in Table 1 by \$390,669. Staff recommends applying all of the indirect cost assessments within line items in the Executive Director's Office, consistent with the FY 2020-21 Long Bill.

TABLE 2: APPLICATION OF INDIRECT COST RECOVERIES AND INDIRECT COSTS EXCESS RECOVERY FUND

	FY 2020-21	FY 2021-22	CHANGE
Personal Services	\$1,521,406	\$1,521,406	\$0
Operating Expenses	133,829	133,829	0
Payments to OIT	30,000	30,000	0
Legal Services*	140,000	0	(140,000)
<b>TOTAL</b>	<b>\$1,825,235</b>	<b>\$1,685,235</b>	<b>(\$140,000)</b>

\*An additional \$140,000 that was not requested in the Department's plan was used to offset General Fund expenditures for Legal Services as part of 2020 balancing actions.

*JBC Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

## Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

**DEPARTMENT OF LOCAL AFFAIRS**  
**Richard Garcia, Executive Director**

### (1) EXECUTIVE DIRECTOR'S OFFICE

#### (A) Administration

Personal Services	<u>1,387,595</u>	<u>1,471,293</u>	<u>1,521,406</u>	<u>1,521,406</u>	<u>1,521,406</u>
FTE	12.8	14.0	14.2	14.2	14.2
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,387,595	1,471,293	1,521,406	1,521,406	1,521,406
Health, Life, and Dental	<u>1,125,759</u>	<u>1,379,275</u>	<u>1,810,640</u>	<u>2,106,269</u>	<u>2,106,269</u> *
General Fund	427,645	474,073	404,300	651,944	651,944
Cash Funds	115,873	306,816	326,995	330,927	330,927
Reappropriated Funds	582,241	598,386	667,815	692,328	692,328
Federal Funds	0	0	411,530	431,070	431,070
Short-term Disability	<u>16,038</u>	<u>17,777</u>	<u>23,444</u>	<u>22,364</u>	<u>22,463</u> *
General Fund	6,052	7,365	6,920	6,545	6,574
Cash Funds	2,417	2,163	3,256	2,872	2,885
Reappropriated Funds	7,569	8,249	8,498	8,240	8,276
Federal Funds	0	0	4,770	4,707	4,728

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2018-19 Actual</b>	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Appropriation</b>	<b>FY 2021-22 Request</b>	<b>FY 2021-22 Recommendation</b>
S.B. 04-257 Amortization Equalization Disbursement	<u>484,830</u>	<u>550,366</u>	<u>708,651</u>	<u>728,636</u>	<u>731,848</u> *
General Fund	177,233	220,035	209,181	213,247	214,187
Cash Funds	73,405	80,917	98,408	93,573	93,985
Reappropriated Funds	234,192	249,414	256,874	268,449	269,633
Federal Funds	0	0	144,188	153,367	154,043
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>483,914</u>	<u>550,366</u>	<u>708,651</u>	<u>728,636</u>	<u>731,848</u> *
General Fund	177,233	220,035	209,181	213,247	214,187
Cash Funds	73,405	80,917	98,408	93,573	93,985
Reappropriated Funds	233,276	249,414	256,874	268,449	269,633
Federal Funds	0	0	144,188	153,367	154,043
PERA Direct Distribution	<u>0</u>	<u>334,253</u>	<u>0</u>	<u>345,152</u>	<u>345,152</u>
General Fund	0	164,607	0	101,015	101,015
Cash Funds	0	47,722	0	44,325	44,325
Reappropriated Funds	0	121,924	0	127,163	127,163
Federal Funds	0	0	0	72,649	72,649
Salary Survey	<u>317,015</u>	<u>344,253</u>	<u>0</u>	<u>328,892</u>	<u>401,090</u> *
General Fund	81,338	132,230	0	96,256	117,386
Cash Funds	49,551	52,359	0	42,237	51,508
Reappropriated Funds	186,126	159,664	0	121,173	147,772
Federal Funds	0	0	0	69,226	84,424
Workers' Compensation	<u>152,057</u>	<u>125,130</u>	<u>116,923</u>	<u>113,711</u>	<u>113,711</u>
General Fund	35,184	42,819	41,363	38,966	38,966
Cash Funds	36,233	28,426	23,913	20,370	20,370
Reappropriated Funds	80,640	53,885	51,647	54,375	54,375



*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2018-19 Actual</b>	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Appropriation</b>	<b>FY 2021-22 Request</b>	<b>FY 2021-22 Recommendation</b>
Operating Expenses	<u>131,297</u>	<u>133,829</u>	<u>133,829</u>	<u>133,829</u>	<u>133,829</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	131,297	133,829	133,829	133,829	133,829
Legal Services	<u>151,120</u>	<u>481,187</u>	<u>541,182</u>	<u>416,469</u>	<u>416,469</u>
General Fund	133,911	242,263	356,182	150,448	150,448
Cash Funds	15,321	212,826	25,000	246,021	246,021
Reappropriated Funds	1,888	26,098	160,000	20,000	20,000
Federal Funds	0	0	0	0	0
Administrative Law Judge Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>842</u>
Cash Funds	0	0	0	0	842
Payment to Risk Management and Property Funds	<u>63,127</u>	<u>60,465</u>	<u>48,411</u>	<u>78,582</u>	<u>78,582</u>
General Fund	14,609	20,760	17,126	26,928	26,928
Cash Funds	15,041	13,581	9,901	14,292	14,292
Reappropriated Funds	33,477	26,124	21,384	37,362	37,362
Vehicle Lease Payments	<u>93,219</u>	<u>98,103</u>	<u>107,593</u>	<u>116,786</u>	<u>116,786</u>
General Fund	93,219	91,668	98,101	101,418	101,418
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	6,435	9,492	15,368	15,368
Information Technology Asset Maintenance	<u>74,950</u>	<u>69,240</u>	<u>74,950</u>	<u>74,950</u>	<u>74,950</u>
General Fund	28,713	28,713	28,713	28,713	28,713
Cash Funds	11,530	7,787	11,530	11,530	11,530
Reappropriated Funds	34,707	32,740	34,707	34,707	34,707

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
Statewide training	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,247</u>	<u>3,247</u> *
General Fund	0	0	0	897	897
Cash Funds	0	0	0	487	487
Reappropriated Funds	0	0	0	1,233	1,233
Federal Funds	0	0	0	630	630
Leased Space	<u>57,357</u>	<u>57,502</u>	<u>47,000</u>	<u>47,000</u>	<u>47,000</u>
General Fund	22,376	20,655	18,500	18,500	18,500
Cash Funds	0	0	0	0	0
Reappropriated Funds	34,981	36,847	28,500	28,500	28,500
Capitol Complex Leased Space	<u>560,193</u>	<u>489,321</u>	<u>707,480</u>	<u>774,319</u>	<u>774,319</u>
General Fund	129,621	200,604	224,267	252,445	252,445
Cash Funds	133,486	112,115	108,638	106,783	106,783
Reappropriated Funds	297,086	176,602	204,172	251,936	251,936
Federal Funds	0	0	170,403	163,155	163,155
Payments to OIT	<u>1,658,034</u>	<u>2,107,044</u>	<u>1,892,794</u>	<u>2,012,984</u>	<u>2,012,984</u> *
General Fund	349,696	1,256,025	599,713	611,686	611,686
Cash Funds	653,032	365,504	238,230	296,554	296,554
Reappropriated Funds	655,306	485,515	730,409	780,828	780,828
Federal Funds	0	0	324,442	323,916	323,916
CORE Operations	<u>352,879</u>	<u>302,858</u>	<u>519,401</u>	<u>492,852</u>	<u>492,852</u>
General Fund	81,654	103,638	143,348	136,116	136,116
Cash Funds	84,074	68,802	82,877	71,177	71,177
Reappropriated Funds	187,151	130,418	178,983	189,923	189,923
Federal Funds	0	0	114,193	95,636	95,636

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
Moffat Tunnel Improvement District	<u>85</u>	<u>100</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Cash Funds	85	100	5,000	5,000	5,000
<b>SUBTOTAL - (A) Administration</b>	7,109,469	8,572,362	8,967,355	10,051,084	10,130,647
FTE	<u>12.8</u>	<u>14.0</u>	<u>14.2</u>	<u>14.2</u>	<u>14.2</u>
General Fund	1,758,484	3,225,490	2,356,895	2,648,371	2,671,410
Cash Funds	1,263,453	1,380,035	1,032,156	1,379,721	1,390,671
Reappropriated Funds	4,087,532	3,966,837	4,264,590	4,555,269	4,584,272
Federal Funds	0	0	1,313,714	1,467,723	1,484,294

**(B) State Demography Office**

This section provides funding for the State Demography Office (SDO), which provides population and demographic data and analysis for the state. The SDO was transferred from line items throughout the Division of Local Government to a separate subdivision in the Executive Director's Office in FY 2020-21.

Program Costs	<u>0</u>	<u>0</u>	<u>567,591</u>	<u>568,128</u>	<u>567,609</u>
FTE	0.0	0.0	6.0	6.0	6.0
General Fund	0	0	468,243	468,243	468,243
Cash Funds	0	0	80,958	81,495	80,976
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	18,390	18,390	18,390
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>16,293</u>	<u>16,293</u>	<u>13,071</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	13,277	13,277	10,651
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	3,016	3,016	2,420

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
<b>SUBTOTAL - (B) State Demography Office</b>	0	0	583,884	584,421	580,680
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>
General Fund	0	0	468,243	468,243	468,243
Cash Funds	0	0	94,235	94,772	91,627
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	21,406	21,406	20,810
<b>TOTAL - (1) Executive Director's Office</b>	7,109,469	8,572,362	9,551,239	10,635,505	10,711,327
<i>FTE</i>	<u>12.8</u>	<u>14.0</u>	<u>20.2</u>	<u>20.2</u>	<u>20.2</u>
General Fund	1,758,484	3,225,490	2,825,138	3,116,614	3,139,653
Cash Funds	1,263,453	1,380,035	1,126,391	1,474,493	1,482,298
Reappropriated Funds	4,087,532	3,966,837	4,264,590	4,555,269	4,584,272
Federal Funds	0	0	1,335,120	1,489,129	1,505,104

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

**(2) PROPERTY TAXATION**

ted fund sources include transfers from the Local Government Mineral and Energy Impact Grants and Disbursements line item in the Division of Local Government and indirect cost recoveries.

Division of Property Taxation	<u>2,856,194</u>	<u>2,544,063</u>	<u>3,092,028</u>	<u>3,042,370</u>	<u>3,042,370</u> *
FTE	35.6	34.9	37.2	36.2	36.2
General Fund	1,753,939	1,798,386	1,866,894	1,817,236	1,817,236
Cash Funds	892,441	524,172	992,358	992,358	992,358
Reappropriated Funds	209,814	221,505	232,776	232,776	232,776
Federal Funds	0	0	0	0	0
State Board of Equalization	<u>12,856</u>	<u>12,856</u>	<u>12,856</u>	<u>12,856</u>	<u>12,856</u>
General Fund	12,856	12,856	12,856	12,856	12,856
Board of Assessment Appeals	<u>567,410</u>	<u>560,308</u>	<u>658,826</u>	<u>658,826</u>	<u>658,826</u>
FTE	7.4	7.2	13.2	13.2	13.2
General Fund	462,400	442,218	538,214	538,214	538,214
Cash Funds	105,010	118,090	120,612	120,612	120,612
Indirect Cost Assessment	<u>157,485</u>	<u>159,820</u>	<u>158,875</u>	<u>151,905</u>	<u>190,723</u>
Cash Funds	127,659	124,840	131,233	124,263	152,472
Reappropriated Funds	29,826	34,980	27,642	27,642	38,251
<b>TOTAL - (2) Property Taxation</b>	<b>3,593,945</b>	<b>3,277,047</b>	<b>3,922,585</b>	<b>3,865,957</b>	<b>3,904,775</b>
FTE	43.0	42.1	50.4	49.4	49.4
General Fund	2,229,195	2,253,460	2,417,964	2,368,306	2,368,306
Cash Funds	1,125,110	767,102	1,244,203	1,237,233	1,265,442
Reappropriated Funds	239,640	256,485	260,418	260,418	271,027
Federal Funds	0	0	0	0	0

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

**(3) DIVISION OF HOUSING**

on of Local Government.

**(A) Community and Non-Profit Services**

**(1) Administration**

Personal Services	<u>523,187</u>	<u>647,193</u>	<u>2,642,215</u>	<u>2,581,403</u>	<u>2,579,962</u> *
FTE	4.5	5.2	28.6	28.6	28.6
General Fund	505,825	582,383	549,891	475,503	474,912
Cash Funds	17,362	17,699	74,576	74,576	74,576
Reappropriated Funds	0	47,111	53,829	66,525	66,525
Federal Funds	0	0	1,963,919	1,964,799	1,963,949
Operating Expenses	<u>50,102</u>	<u>51,370</u>	<u>449,583</u>	<u>449,583</u>	<u>449,583</u>
General Fund	47,602	47,114	40,165	40,165	40,165
Cash Funds	2,500	2,500	4,938	4,938	4,938
Reappropriated Funds	0	1,756	64,385	64,385	64,385
Federal Funds	0	0	340,095	340,095	340,095

<b>SUBTOTAL - (1) Administration</b>	573,289	698,563	3,091,798	3,030,986	3,029,545
FTE	<u>4.5</u>	<u>5.2</u>	<u>28.6</u>	<u>28.6</u>	<u>28.6</u>
General Fund	553,427	629,497	590,056	515,668	515,077
Cash Funds	19,862	20,199	79,514	79,514	79,514
Reappropriated Funds	0	48,867	118,214	130,910	130,910
Federal Funds	0	0	2,304,014	2,304,894	2,304,044

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
<b>(2) Community Services</b>					
Low Income Rental Subsidies	<u>66,543,030</u>	<u>75,912,165</u>	<u>59,210,714</u>	<u>59,763,554</u>	<u>59,763,554</u>
FTE	18.8	19.5	0.0	0.0	0.0
General Fund	3,681,295	6,221,788	6,795,028	7,347,868	7,347,868
Cash Funds	2,002,470	2,323,363	939,649	939,649	939,649
Federal Funds	60,859,265	67,367,014	51,476,037	51,476,037	51,476,037
Homeless Prevention Programs	<u>1,843,017</u>	<u>2,468,774</u>	<u>1,984,430</u>	<u>1,984,430</u>	<u>1,984,430</u>
FTE	0.7	0.8	0.0	0.0	0.0
Cash Funds	125,126	125,969	170,000	170,000	170,000
Federal Funds	1,717,891	2,342,805	1,814,430	1,814,430	1,814,430
<b>SUBTOTAL - (2) Community Services</b>	68,386,047	78,380,939	61,195,144	61,747,984	61,747,984
FTE	<u>19.5</u>	<u>20.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	3,681,295	6,221,788	6,795,028	7,347,868	7,347,868
Cash Funds	2,127,596	2,449,332	1,109,649	1,109,649	1,109,649
Federal Funds	62,577,156	69,709,819	53,290,467	53,290,467	53,290,467
<b>(3) Fort Lyon Supportive Housing Program</b>					
Program Costs	<u>4,985,067</u>	<u>4,984,968</u>	<u>4,996,662</u>	<u>4,996,662</u>	<u>4,996,662</u>
FTE	0.9	1.4	1.0	1.0	1.0
General Fund	4,985,067	4,984,968	4,996,662	4,996,662	4,996,662
<b>SUBTOTAL - (3) Fort Lyon Supportive Housing Program</b>	4,985,067	4,984,968	4,996,662	4,996,662	4,996,662
FTE	<u>0.9</u>	<u>1.4</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
General Fund	4,985,067	4,984,968	4,996,662	4,996,662	4,996,662

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

<b>SUBTOTAL - (A) Community and Non-Profit</b>					
<b>Services</b>	73,944,403	84,064,470	69,283,604	69,775,632	69,774,191
<i>FTE</i>	<u>24.9</u>	<u>26.9</u>	<u>29.6</u>	<u>29.6</u>	<u>29.6</u>
General Fund	9,219,789	11,836,253	12,381,746	12,860,198	12,859,607
Cash Funds	2,147,458	2,469,531	1,189,163	1,189,163	1,189,163
Reappropriated Funds	0	48,867	118,214	130,910	130,910
Federal Funds	62,577,156	69,709,819	55,594,481	55,595,361	55,594,511

**(B) Field Services**

Affordable Housing Program Costs	<u>1,263,970</u>	<u>1,383,810</u>	<u>2,707,331</u>	<u>2,936,079</u>	<u>2,281,914</u> *
FTE	14.0	14.4	32.2	32.2	31.5
General Fund	152,885	196,957	209,313	209,313	209,313
Cash Funds	76,132	25,664	80,087	80,087	80,087
Reappropriated Funds	1,023,829	1,148,337	1,816,641	2,045,389	1,391,224
Federal Funds	11,124	12,852	601,290	601,290	601,290
Affordable Housing Construction Grants and Loans pursuant to Section 24-32-721, C.R.S.	<u>30,780,157</u>	<u>32,542,660</u>	<u>36,528,793</u>	<u>31,983,831</u>	<u>36,528,793</u> *
FTE	9.4	10.7	0.0	0.0	0.0
General Fund	9,200,000	9,200,000	9,200,000	4,655,038	9,200,000
Cash Funds	13,297,530	13,079,132	15,300,000	15,300,000	15,300,000
Federal Funds	8,282,627	10,263,528	12,028,793	12,028,793	12,028,793
Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice Systems	<u>60,788</u>	<u>5,417,126</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
General Fund	0	0	500,000	500,000	500,000
Cash Funds	60,788	4,917,126	0	0	0
Reappropriated Funds	0	500,000	0	0	0



*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
Manufactured Buildings Program	<u>712,406</u>	<u>644,161</u>	<u>779,589</u>	<u>779,589</u>	<u>779,589</u>
FTE	6.9	7.3	7.3	7.3	7.3
Cash Funds	712,406	644,161	779,589	779,589	779,589
Mobile Home Park Act Oversight	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>505,540</u>
FTE	0.0	0.0	0.0	0.0	4.8
Cash Funds	0	0	0	0	505,540
<b>SUBTOTAL - (B) Field Services</b>	32,817,321	39,987,757	40,515,713	36,199,499	40,595,836
FTE	<u>30.3</u>	<u>32.4</u>	<u>39.5</u>	<u>39.5</u>	<u>43.6</u>
General Fund	9,352,885	9,396,957	9,909,313	5,364,351	9,909,313
Cash Funds	14,146,856	18,666,083	16,159,676	16,159,676	16,665,216
Reappropriated Funds	1,023,829	1,648,337	1,816,641	2,045,389	1,391,224
Federal Funds	8,293,751	10,276,380	12,630,083	12,630,083	12,630,083
<b>(C) Indirect Cost Assessments</b>					
Indirect Cost Assessments	<u>283,145</u>	<u>248,018</u>	<u>885,688</u>	<u>863,596</u>	<u>1,047,518</u>
Cash Funds	236,550	106,908	121,176	116,533	146,448
Reappropriated Funds	46,595	141,110	282,760	282,760	454,407
Federal Funds	0	0	481,752	464,303	446,663
<b>SUBTOTAL - (C) Indirect Cost Assessments</b>	283,145	248,018	885,688	863,596	1,047,518
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	236,550	106,908	121,176	116,533	146,448
Reappropriated Funds	46,595	141,110	282,760	282,760	454,407
Federal Funds	0	0	481,752	464,303	446,663

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
<b>TOTAL - (3) Division of Housing</b>	107,044,869	124,300,245	110,685,005	106,838,727	111,417,545
<i>FTE</i>	<u>55.2</u>	<u>59.3</u>	<u>69.1</u>	<u>69.1</u>	<u>73.2</u>
General Fund	18,572,674	21,233,210	22,291,059	18,224,549	22,768,920
Cash Funds	16,530,864	21,242,522	17,470,015	17,465,372	18,000,827
Reappropriated Funds	1,070,424	1,838,314	2,217,615	2,459,059	1,976,541
Federal Funds	70,870,907	79,986,199	68,706,316	68,689,747	68,671,257

*JBC Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

**(4) DIVISION OF LOCAL GOVERNMENT**

Disbursements line item in this division, spending authority out of the Firefighter Benefits Cash Fund, and indirect cost recoveries.

**(A) Local Government and Community Services**

**(1) Administration**

Personal Services	<u>1,434,978</u>	<u>1,671,928</u>	<u>1,450,195</u>	<u>1,450,807</u>	<u>1,426,150</u>
FTE	17.6	19.5	17.3	17.3	16.8
General Fund	810,285	1,042,367	615,473	616,085	591,428
Reappropriated Funds	624,693	629,561	675,804	675,804	675,804
Federal Funds	0	0	158,918	158,918	158,918
Operating Expenses	<u>72,469</u>	<u>330,620</u>	<u>138,000</u>	<u>138,000</u>	<u>135,851</u>
General Fund	47,323	330,620	48,827	48,827	46,678
Reappropriated Funds	25,146	0	25,146	25,146	25,146
Federal Funds	0	0	64,027	64,027	64,027
Strategic Planning Group on Coloradans Age 50 and Over	<u>55,000</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	55,000	110,000	110,000	110,000	110,000

<b>SUBTOTAL - (1) Administration</b>	<b>1,562,447</b>	<b>2,112,548</b>	<b>1,698,195</b>	<b>1,698,807</b>	<b>1,672,001</b>
FTE	<u>17.6</u>	<u>19.5</u>	<u>17.3</u>	<u>17.3</u>	<u>16.8</u>
General Fund	912,608	1,482,987	774,300	774,912	748,106
Reappropriated Funds	649,839	629,561	700,950	700,950	700,950
Federal Funds	0	0	222,945	222,945	222,945

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
<b>(2) Local Government Services</b>					
Conservation Trust Fund Disbursements	<u>66,831,175</u>	<u>56,885,783</u>	<u>49,924,087</u>	<u>49,924,087</u>	<u>58,000,000</u>
FTE	2.1	2.2	1.0	1.0	1.0
Cash Funds	66,831,175	56,885,783	49,924,087	49,924,087	58,000,000
Volunteer Firefighter Retirement Plans	<u>4,201,417</u>	<u>4,265,444</u>	<u>4,345,000</u>	<u>4,345,000</u>	<u>4,345,000</u>
General Fund Exempt	4,201,417	4,265,444	4,345,000	4,345,000	4,345,000
Volunteer Firefighter Death and Disability Insurance	<u>21,065</u>	<u>21,065</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
General Fund	0	21,065	30,000	30,000	30,000
General Fund Exempt	21,065	0	0	0	0
Firefighter Heart and Circulatory Malfunction					
Benefits	<u>1,702,172</u>	<u>1,705,286</u>	<u>1,706,926</u>	<u>1,556,926</u>	<u>1,556,926</u> *
FTE	0.4	0.3	0.5	0.5	0.5
General Fund	864,943	866,233	617,873	717,873	717,873
Cash Funds	0	0	250,000	0	0
Reappropriated Funds	837,229	839,053	839,053	839,053	839,053
Local Utility Management Assistance	<u>154,769</u>	<u>142,501</u>	<u>183,275</u>	<u>183,275</u>	<u>183,275</u>
FTE	1.9	1.8	2.0	2.0	2.0
Cash Funds	154,769	142,501	183,275	183,275	183,275
Environmental Protection Agency Water/Sewer File					
Project	<u>62,589</u>	<u>54,603</u>	<u>67,004</u>	<u>67,004</u>	<u>67,004</u>
FTE	0.5	0.4	0.5	0.5	0.5
Federal Funds	62,589	54,603	67,004	67,004	67,004

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
Cybersecurity Training for Local Governments	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	250,000	0	0	0	0
<b>SUBTOTAL - (2) Local Government Services</b>	73,223,187	63,074,682	56,256,292	56,106,292	64,182,205
<i>FTE</i>	<u>4.9</u>	<u>4.7</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
General Fund	1,114,943	887,298	647,873	747,873	747,873
General Fund Exempt	4,222,482	4,265,444	4,345,000	4,345,000	4,345,000
Cash Funds	66,985,944	57,028,284	50,357,362	50,107,362	58,183,275
Reappropriated Funds	837,229	839,053	839,053	839,053	839,053
Federal Funds	62,589	54,603	67,004	67,004	67,004
<b>(3) Community Services</b>					
Community Services Block Grant	<u>6,015,881</u>	<u>5,657,145</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
FTE	2.3	2.3	0.0	0.0	0.0
Federal Funds	6,015,881	5,657,145	6,000,000	6,000,000	6,000,000
<b>SUBTOTAL - (3) Community Services</b>	6,015,881	5,657,145	6,000,000	6,000,000	6,000,000
<i>FTE</i>	<u>2.3</u>	<u>2.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Federal Funds	6,015,881	5,657,145	6,000,000	6,000,000	6,000,000
<b>SUBTOTAL - (A) Local Government and Community Services</b>	80,801,515	70,844,375	63,954,487	63,805,099	71,854,206
<i>FTE</i>	<u>24.8</u>	<u>26.5</u>	<u>21.3</u>	<u>21.3</u>	<u>20.8</u>
General Fund	2,027,551	2,370,285	1,422,173	1,522,785	1,495,979
General Fund Exempt	4,222,482	4,265,444	4,345,000	4,345,000	4,345,000
Cash Funds	66,985,944	57,028,284	50,357,362	50,107,362	58,183,275
Reappropriated Funds	1,487,068	1,468,614	1,540,003	1,540,003	1,540,003
Federal Funds	6,078,470	5,711,748	6,289,949	6,289,949	6,289,949

*JBC Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
<b>(B) Field Services</b>					
Program Costs	<u>2,761,904</u>	<u>2,779,420</u>	<u>3,598,366</u>	<u>3,386,147</u>	<u>3,410,876</u>
FTE	24.6	23.5	30.6	31.1	31.6
General Fund	235,186	271,550	528,432	314,672	340,887
Cash Funds	110,581	112,218	0	0	0
Reappropriated Funds	2,416,137	2,395,652	2,714,573	2,716,114	2,714,628
Federal Funds	0	0	355,361	355,361	355,361
Community Development Block Grant	<u>8,349,634</u>	<u>7,641,141</u>	<u>5,200,000</u>	<u>5,200,000</u>	<u>5,200,000</u>
FTE	6.6	5.5	0.0	0.0	0.0
Federal Funds	8,349,634	7,641,141	5,200,000	5,200,000	5,200,000
Local Government Mineral and Energy Impact					
Grants and Disbursements	<u>121,250,094</u>	<u>106,656,070</u>	<u>123,000,000</u>	<u>123,000,000</u>	<u>90,000,000</u>
Cash Funds	121,250,094	106,656,070	123,000,000	123,000,000	90,000,000
Appropriation to the Local Government Limited					
Gaming Impact Fund	<u>0</u>	<u>0</u>	<u>1,875,000</u>	<u>1,875,000</u>	<u>1,875,000</u>
General Fund	0	0	1,875,000	1,875,000	1,875,000
Local Government Limited Gaming Impact Grants	<u>5,671,179</u>	<u>5,195,679</u>	<u>1,710,192</u>	<u>1,710,192</u>	<u>1,710,192</u>
Cash Funds	5,671,179	5,195,679	0	0	0
Reappropriated Funds	0	0	1,710,192	1,710,192	1,710,192
Local Government Geothermal Energy Impact					
Grants	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u> *
Cash Funds	0	0	50,000	0	50,000

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2018-19 Actual</b>	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Appropriation</b>	<b>FY 2021-22 Request</b>	<b>FY 2021-22 Recommendation</b>
Rural Economic Development Initiative Grants	<u>890,551</u>	<u>592,328</u>	<u>780,000</u>	<u>780,000</u>	<u>780,000</u>
FTE	0.2	0.3	0.0	0.0	0.0
General Fund	890,551	592,328	780,000	780,000	780,000
Search and Rescue Program	<u>474,566</u>	<u>596,298</u>	<u>625,903</u>	<u>625,903</u>	<u>625,903</u>
FTE	1.1	1.4	1.3	1.3	1.3
Cash Funds	474,566	596,298	625,903	625,903	625,903
Gray and Black Market Marijuana Enforcement Grant Program	<u>4,196,921</u>	<u>11,407,383</u>	<u>950,673</u>	<u>950,673</u>	<u>950,673</u> *
FTE	1.1	1.3	2.5	2.5	2.5
Cash Funds	4,196,921	11,407,383	950,673	950,673	950,673
HB 17-1326 Crime Prevention Initiative Grants	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u> *
General Fund	3,000,000	3,000,000	2,000,000	2,000,000	2,000,000
2020 Census Outreach Grant Program	<u>0</u>	<u>5,628,108</u>	<u>85,984</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.3	1.5	0.0	0.0
General Fund	0	5,628,108	85,984	0	0
Appropriation to the Peace Officers Mental Health Support Fund	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
General Fund	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Peace Officers Mental Health Support Grant Program	<u>166,169</u>	<u>1,480,953</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
FTE	0.3	0.7	1.0	1.0	1.0
Reappropriated Funds	166,169	1,480,953	2,000,000	2,000,000	2,000,000

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2018-19 Actual</b>	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Appropriation</b>	<b>FY 2021-22 Request</b>	<b>FY 2021-22 Recommendation</b>
Defense Counsel on First Appearance Grant					
Program	<u>211,561</u>	<u>542,695</u>	<u>1,000,000</u>	<u>1,309,520</u>	<u>1,309,520</u> *
FTE	0.2	1.0	0.5	0.5	0.5
General Fund	211,561	542,695	1,000,000	1,309,520	1,309,520
Law Enforcement Community Services Grant					
Program	<u>0</u>	<u>52,609</u>	<u>72,227</u>	<u>272,227</u>	<u>272,227</u> *
FTE	0.0	0.7	1.0	1.0	1.0
Cash Funds	0	52,609	72,227	272,227	272,227
Small Business Relief Program	<u>0</u>	<u>0</u>	<u>37,000,000</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	2.1	0.0	0.0
General Fund	0	0	37,000,000	0	0
Local Government Limited Gaming Impact Study	<u>12,447</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	12,447	50,000	0	0	0
HB 17-1326 Crime Prevention Initiative Small					
Business Lending	<u>839,343</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	839,343	1,000,000	0	0	0
Community Substance Use and Mental Health					
Services Grant Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Local Government Marijuana Impact Grant Program	<u>182,563</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	182,563	0	0	0	0



*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
<b>SUBTOTAL - (B) Field Services</b>	150,006,932	148,622,684	181,948,345	145,109,662	112,184,391
<i>FTE</i>	<u>34.1</u>	<u>34.7</u>	<u>40.5</u>	<u>37.4</u>	<u>37.9</u>
General Fund	7,176,641	13,034,681	45,269,416	8,279,192	8,305,407
Cash Funds	131,898,351	124,070,257	124,698,803	124,848,803	91,898,803
Reappropriated Funds	2,582,306	3,876,605	6,424,765	6,426,306	6,424,820
Federal Funds	8,349,634	7,641,141	5,555,361	5,555,361	5,555,361
<b>(C) Indirect Cost Assessments</b>					
Indirect Cost Assessment	<u>851,426</u>	<u>475,211</u>	<u>645,402</u>	<u>620,831</u>	<u>824,592</u>
Cash Funds	156,913	99,610	103,776	103,776	154,352
Reappropriated Funds	694,513	375,601	471,272	446,701	588,159
Federal Funds	0	0	70,354	70,354	82,081
<b>SUBTOTAL - (C) Indirect Cost Assessments</b>	851,426	475,211	645,402	620,831	824,592
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	156,913	99,610	103,776	103,776	154,352
Reappropriated Funds	694,513	375,601	471,272	446,701	588,159
Federal Funds	0	0	70,354	70,354	82,081
<b>TOTAL - (4) Division of Local Government</b>	231,659,873	219,942,270	246,548,234	209,535,592	184,863,189
<i>FTE</i>	<u>58.9</u>	<u>61.2</u>	<u>61.8</u>	<u>58.7</u>	<u>58.7</u>
General Fund	9,204,192	15,404,966	46,691,589	9,801,977	9,801,386
General Fund Exempt	4,222,482	4,265,444	4,345,000	4,345,000	4,345,000
Cash Funds	199,041,208	181,198,151	175,159,941	175,059,941	150,236,430
Reappropriated Funds	4,763,887	5,720,820	8,436,040	8,413,010	8,552,982
Federal Funds	14,428,104	13,352,889	11,915,664	11,915,664	11,927,391

*JBC Staff Staff Figure Setting - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
<b>TOTAL - Department of Local Affairs</b>	349,408,156	356,091,924	370,707,063	330,875,781	310,896,836
<i>FTE</i>	<u>169.9</u>	<u>176.6</u>	<u>201.5</u>	<u>197.4</u>	<u>201.5</u>
General Fund	31,764,545	42,117,126	74,225,750	33,511,446	38,078,265
General Fund Exempt	4,222,482	4,265,444	4,345,000	4,345,000	4,345,000
Cash Funds	217,960,635	204,587,810	195,000,550	195,237,039	170,984,997
Reappropriated Funds	10,161,483	11,782,456	15,178,663	15,687,756	15,384,822
Federal Funds	85,299,011	93,339,088	81,957,100	82,094,540	82,103,752

\*Line is affected by a decision item.