



# JOINT BUDGET COMMITTEE STAFF FY 2022-23 BUDGET BRIEFING SUMMARY

Colorado General Assembly  
Joint Budget Committee

*Department of Local Affairs*

The Department of Local Affairs is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. The Department's FY 2021-22 appropriation represents approximately 1.3 percent of statewide operating appropriations and 0.5 percent of statewide General Fund appropriations.

## FY 2021-22 APPROPRIATION AND FY 2022-23 REQUEST

DEPARTMENT OF LOCAL AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION:</b>						
SB 21-205 (Long Bill)	312,059,733	43,494,080	171,022,406	15,384,956	82,158,291	201.5
Other Legislation	159,536,274	13,636,274	144,900,000	1,000,000	0	4.0
<b>TOTAL</b>	<b>\$471,596,007</b>	<b>\$57,130,354</b>	<b>\$315,922,406</b>	<b>\$16,384,956</b>	<b>\$82,158,291</b>	<b>205.5</b>
<b>FY 2022-23 REQUESTED APPROPRIATION:</b>						
FY 2021-22 Appropriation	\$471,596,007	57,130,354	\$315,922,406	\$16,384,956	\$82,158,291	205.5
R1 Operational Staff adjustment	274,395	0	0	274,395	0	3.0
R3 Gray & Black Market Marijuana Enforcement adjustment	(5,000,000)	0	(5,000,000)	0	0	0.0
Non-prioritized requests	15,585	5,411	2,361	5,534	2,279	0.0
Annualize prior year budget actions	5,837,625	837,625	5,000,000	0	0	0.0
Centrally appropriated line items	1,903,182	468,654	663,365	410,054	361,109	0.0
Technical adjustments	77,438	(110,000)	187,438	0	0	2.0
Indirect cost assessment	54,651	0	12,213	28,454	13,984	0.0
Annualize prior year legislation	(157,868,483)	(15,446,735)	(139,638,522)	(2,800,838)	17,612	(0.8)
<b>TOTAL</b>	<b>\$316,890,400</b>	<b>\$42,885,309</b>	<b>\$177,149,261</b>	<b>\$14,302,555</b>	<b>\$82,553,275</b>	<b>209.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$154,705,607)</b>	<b>(\$14,245,045)</b>	<b>(\$138,773,145)</b>	<b>(\$2,082,401)</b>	<b>\$394,984</b>	<b>4.2</b>
Percentage Change	(32.8%)	(24.9%)	(43.9%)	(12.7%)	0.5%	2.0%

**R1 OPERATIONAL STAFF ADJUSTMENT:** The request includes \$274,395 reappropriated funds (originating as indirect costs collected from cash and federally funded programs) and 3.0 FTE to address increased workload in the Accounting and Financial Services and Human Resources sections of the EDO. The Department's accounting transactions per fiscal year and the number of funds and sub-accounts in use have increased substantially over the last several years. Additionally, the Department's program staff FTE has increased nearly 23 percent since FY 2013-14 without any growth in EDO staff to handle additional accounting, contracting, and administrative workload. This request would fund an Accountant II, Budget Analyst II, and Human Resources Specialist III. The request indicates that funding is for the expansion of a theory-informed practice as defined in S.B. 21-284 (Evidence-based Evaluation for Budget).

**R3 GRAY & BLACK MARKET MARIJUANA ENFORCEMENT ADJUSTMENT:** The request includes a three-year reduction of \$5.0 million Marijuana Tax Cash Funds annually to the Gray and Black Market Marijuana Enforcement Grant Program, leaving an annual appropriation of \$950,673 intact. 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 and FY 2021-22 at the Department’s request. The program has been over-appropriated and underutilized since its inception in FY 2017-18, even after switching from a reimbursement model to an “opt-in” formula. Appropriations are made available for two fiscal years, allowing the Program to carry forward unspent funds each year. The Department wishes to maintain the \$950,673 appropriation for the next three fiscal years while it continues to assess the demand for this program. The request indicates that funding is for the reduction of a theory-informed program as defined in S.B. 21-284 (Evidence-based Evaluation for Budget).

**NON-PRIORITIZED REQUESTS:** The request includes adjustments related to non-prioritized requests 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
NP3 OIT Budget package	\$12,828	\$3,425	\$2,184	\$4,940	\$2,279	0.0
NP1 Annual fleet request	1,901	1,708	0	193	0	0.0
NP2 DPA CSEAP resources	856	278	177	401	0	0.0
<b>TOTAL</b>	<b>\$15,585</b>	<b>\$5,411</b>	<b>\$2,361</b>	<b>\$5,534</b>	<b>\$2,279</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The request includes a net increase of \$5.8 million total funds for prior year budget actions that made one-time reductions to three different programs, summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 R2 Gray & Black Market Enforcement restructure	\$5,000,000	\$0	\$5,000,000	\$0	\$0	0.0
FY 2021-22 R1 Defense Counsel on First Appearance reduction	687,625	687,625	0	0	0	0.0
FY 2021-22 R7 Refinance Firefighter Heart & Circulatory Malfunction Benefits	150,000	150,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$5,837,625</b>	<b>\$837,625</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The request 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
Payments to OIT	\$748,430	\$123,013	\$175,346	\$282,092	\$167,979	0.0
Salary survey	575,175	165,596	127,349	163,181	119,049	0.0
Health, life, and dental	249,599	38,716	240,107	(75,929)	46,705	0.0
CORE adjustment	173,711	42,481	34,690	84,059	12,481	0.0
AED	137,484	34,620	99,278	(22,717)	26,303	0.0
SAED	137,484	34,620	99,278	(22,717)	26,303	0.0
Payment to risk management and property funds	40,695	10,842	8,414	21,439	0	0.0
DPA Paid family leave	39,281	11,243	8,718	11,171	8,149	0.0
PERA Direct Distribution	10,777	863	34,666	(25,946)	1,194	0.0
Short-term disability	3,495	856	2,886	(904)	657	0.0
Legal services	(149,825)	37,128	(181,920)	(5,033)	0	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Workers' compensation	(34,626)	(14,407)	(6,839)	(13,380)	0	0.0
Capitol Complex leased space	(26,339)	(15,568)	22,202	14,738	(47,711)	0.0
Annualize prior year salary survey	(1,349)	(1,349)	0	0	0	0.0
Administrative law judge services	(810)	0	(810)	0	0	0.0
<b>TOTAL</b>	<b>\$1,903,182</b>	<b>\$468,654</b>	<b>\$663,365</b>	<b>\$410,054</b>	<b>\$361,109</b>	<b>0.0</b>

**TECHNICAL ADJUSTMENTS:** The request includes an increase of \$187,438 cash funds and an associated 2.0 FTE for the Mobile Home Park Oversight Program. This increase was submitted in the November 1<sup>st</sup> budget request as the Department's R2. Because the Program is funded by a continuously appropriated cash fund and included in the Long Bill for informational purposes only, JBC staff and the Department/OSPB agreed it would be more appropriate to classify this item as a technical adjustment. The additional staff will help the Program catch up on the current backlog of complaints and process new complaints more quickly. The request also includes a decrease of \$110,000 General Fund to sunset the Strategic Action Planning Group on Aging.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Mobile Home Park Act Oversight informational increase	\$187,438	\$0	\$187,438	\$0	\$0	2.0
Sunset Strategic Action Planning Group on Aging	(110,000)	(110,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$77,438</b>	<b>(\$110,000)</b>	<b>\$187,438</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>

**INDIRECT COST ASSESSMENT:** The request includes net adjustments to indirect costs across all divisions.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The request includes a net decrease of \$157.9 million total funds, including \$15.5 million General Fund, to reflect the FY 2022-23 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 20-1399 Suspend Limited Gaming Tax Transfers to Cash Funds	\$1,542,658	(\$1,875,000)	\$5,242,638	(\$1,824,980)	\$0	0.0
SB 18-200 PERA unfunded liability	84,894	24,300	18,840	24,142	17,612	0.0
HB 21-1329 ARPA Money to Invest Affordable Housing	(98,500,000)	0	(98,500,000)	0	0	0.0
HB 21-1271 Innovative Affordable Housing Strategies	(46,400,000)	0	(46,400,000)	0	0	0.0
SB 21-252 Community Revitalization Grant Program	(7,000,000)	(7,000,000)	0	0	0	0.0
SB 21-204 REDI Funding	(5,000,000)	(5,000,000)	0	0	0	0.0
HB 21-1030 Expanding Peace Officers Mental Health Support	(2,000,000)	(1,000,000)	0	(1,000,000)	0	(0.5)
HB 21-1250 Measures to Address Law Enforcement Accountability	(250,000)	(250,000)	0	0	0	0.0
SB 21-032 Mobile Veterans-support Unit Grant Program	(207,535)	(207,535)	0	0	0	(0.3)
HB 21-1312 Insurance Premium Property Sales Severance Tax	(138,500)	(138,500)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$157,868,483)</b>	<b>(\$15,446,735)</b>	<b>(\$139,638,522)</b>	<b>(\$2,800,838)</b>	<b>\$17,612</b>	<b>(0.8)</b>

## SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

**LEGISLATIVE RECAP:** This issue provides an overview of 2021 Session and 2020 Extraordinary Session bills that transferred and/or appropriated a total of \$309.3 million to the Department of Local Affairs. These bills provided one-time COVID-19 pandemic relief and stimulus funding for numerous new and existing initiatives within DOLA.

### FOR MORE INFORMATION

**JBC STAFF ANALYST:** Andrea Uhl  
(303) 866-4956  
andrea.uhl@state.co.us

**TO READ THE ENTIRE BRIEFING:** Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2021.