

COLORADO GENERAL ASSEMBLY JOINT BUDGET COMMITTEE



FY 2016-17 STAFF FIGURE SETTING COMEBACKS

DEPARTMENT OF LOCAL AFFAIRS

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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➔ Bureau of Assessment Appeals Cash Fund splits

During figure setting for the Department of Local Affairs, staff recommended increasing appropriations from the Bureau of Assessment Appeals Cash Fund by \$71,339 and decreasing appropriations from the General Fund by the same amount, based on information provided by the Department about funds received in this cash fund during the first half of the year. Due to miscommunication, staff's estimate of amounts to be received appears to have been far too high. The revised projected fund balance in the BAA cash fund is reflected below. In light of this situation, staff is recommending an adjustment to leave spending from the BAA cash fund flat in FY 2016-17. The Department had requested that spending from the Fund decline by \$68,875 and that General Fund backfill this amount. The staff recommendation thus uses less General Fund than the request but does not save as much as originally anticipated.

Board of Assess. Appeals CF	FY 2014	FY 2015	FY 2016	FY 2017
Beginning fund balance	\$0	\$69,720	\$82,908	\$112,203
Revenue - DOLA projection	225,993	114,841	149,573	114,481
Revenue adjustment – Dept. corrected			47,722	
Expenditures - DOLA projection/base	156,273	101,652	168,000	168,000
Requested expenditure adjustment DOLA				(68,875)
Expenditure adjustment over request - JBC staff				68,875
Ending fund balance	69,720	82,909	112,203	58,684

Requested DOLA adjustment for FY 2016-17	(68,875)
Staff recommended adjustment above DOLA request	<u>68,875</u>
Difference (change from FY 2015-16 base approp)	-

Associated with this, staff's recommendation for the line item is also revised as follows:

Property Taxation, Board of Assessment Appeals	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2015-16 Appropriation					
FY 2015-16 Appropriation	606,314	394,380	150,000	61,934	13.2
TOTAL	\$606,314	\$394,380	\$150,000	\$61,934	13.2
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$606,314	\$394,380	\$150,000	\$61,934	13.2

*JBC Staff Figure Setting Tabled and Comeback Items: FY 2016-17
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Property Taxation, Board of Assessment Appeals	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
Annualize FY 2015-16 salary survey	7,285	5,788	860	637	0.0
Annualize FY 2015-16 merit pay	5,981	4,620	777	584	0.0
Board of Assessment Appeals Cash Fund	0	0	0	0	0.0
TOTAL	\$619,580	\$404,788	\$151,637	\$63,155	13.2
Increase/(Decrease)	\$13,266	\$10,408	\$0	\$1,221	0.0
Percentage Change	2.2%	2.6%	1.1%	2.0%	0.0%
FY 2016-17 Executive Request:	\$619,580	\$473,663	\$82,762	\$63,155	13.2
Request Above/(Below) Recommendation	\$0	\$68,875	(\$68,875)	\$0	(0.0)

➔ Updated Estimate for Permanent Fund

The Committee previously authorized staff to update the appropriation from the Permanent Fund based on available information about moneys in the fund. The Permanent Fund may be appropriated to enhance FML direct distributions to local governments when other FML revenues available for distribution are projected to decline by more than 10.0 percent. There is currently \$2.75 million in the Fund. However, staff has been informed that approximately \$6.0 million is anticipated to be received shortly. Therefore, staff recommends appropriating \$8.75 million from the Fund, so long as the amount complies with the provisions below. If this amount does not materialize, staff assumes the Department will distribute whatever amount is available in FY 2016-17 up to this figure.

34-63-102 (5.3) (a) (I) (B) 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 pursuant to subparagraph (II) of paragraph (a) of subsection (1) of this section 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. The maximum amount that the general assembly may appropriate for the current or next fiscal year pursuant to this sub-subparagraph (B) is an amount equal to the difference between the total amount of moneys credited to the local government mineral impact fund and directly distributed by the executive director of the department pursuant to paragraph (c) of subsection (5.4) of this section during the immediately preceding fiscal year and the estimated total amount of moneys to be so credited and distributed for the current fiscal year. The executive director of the department shall distribute all moneys appropriated pursuant to this sub-subparagraph (B) directly to counties and municipalities in combination with and using the methodology set forth in subparagraphs (I) to (IV) of paragraph (c) of subsection (5.4) of this section.

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Permanent Fund distribution test - LCS Dec forecast		(million \$s)			
Total deposited to Mineral Leasing Fund FY 2014-15 (inc bonus)		\$145.1			
Total deposited to Mineral Leasing Fund FY 2015-16		\$104.8			
Change		(\$40.3)			
Difference is greater than 10%		-28%	Test is met		
Maximum Distribution					
Local Government Mineral Impact Fund deposit 2014-15 (40% of non-bonus/DO		\$57.16			
Local Government Mineral Impact Fund deposit 2015-16		\$41.30			
Change - Maximum that may be distributed		\$15.86	maximum that may be appropriated		
Proposed appropriation		\$8.75	Test is met (approp<max)		