

# JOINT BUDGET COMMITTEE



## INTERIM SUPPLEMENTAL BUDGET REQUESTS FY 2024-25

## DEPARTMENT OF LOCAL AFFAIRS

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

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# Interim Supplemental Requests

## ES-01 Senior Primary Residence Property Tax Reduction Appropriation

Item	Request	Recommendation
Total	\$132,828	\$265,656
FTE	0.0	0.0
General Fund	132,828	132,828
Cash Funds	0	0
Reapprop. Funds	0	132,838
Federal Funds	0	0

**Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.?** [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.] **YES**

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?** [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.] **YES**

**Explanation:** JBC staff and the Department agree that this request is the result of a technical error which caused the omission from S.B. 24-111's Revised Fiscal Note (dated 05/06/24) of a required appropriation of \$132,838 General Fund to the Department of Local Affairs, which amount is fully reappropriated to the Governor's Office of Information Technology (OIT).

**Department Request:** The Department requests \$132,828 in General Fund for FY 2024-25.

**Staff Recommendation:** Staff recommends that the Committee approve the Department's request for \$132,828 General Fund in FY 2024-25. Additionally, staff recommends an increase of \$132,838 reappropriated funds to OIT in FY 2024-25 to align the appropriation with the Final Fiscal Note (dated July 30, 2024) for S.B. 24-111 (Senior Primary Residence Property Tax Reduction).

**Staff Analysis:** The supplemental budget request addresses the omission of an appropriation of \$132,828 General Fund to the Department of Local Affairs, which is fully reappropriated to the Governor's Office of Information Technology (OIT), that was necessary for the implementation of S.B. 24-111. The omission was corrected in the bill's Final Fiscal Note published during the interim.

Senate Bill 24-111 allows a senior resident that has received a senior homestead property tax exemption to "bring the exemption with them" when they move residences. The legislation

eliminates the prior 10-year residency requirement, which only allowed for the senior resident to access the exemption if they had resided in the same dwelling for 10 consecutive years.

This supplemental appropriation is necessary to implement the requirements of S.B. 24-111 by September of 2025. OIT anticipates the system development and necessary testing to ensure the seniors will be able to access the exemption will take 22 weeks, therefore development must commence no later than mid-January 2025. These reasons necessitate the current timing of this request.

## ES-02 Firefighter Heart and Circulatory Malfunction Benefit

Item	Request	Recommendation
Total	\$300,000	\$300,000
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Reapprop. Funds	300,000	300,000
Federal Funds	0	0

**Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.?** [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.] **YES**

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?** [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.] **YES**

**Explanation:** JBC staff and the Department agree that this request is the result of a technical error in calculating the original appropriation.

**Department Request:** The Department requests an increase of \$300,000 reappropriated funds from the Firefighters Benefits Cash Fund (FBCF), created in Section 29-5-302 (11)(a), C.R.S., to address a technical deficiency in the appropriations clause for H.B. 24-1219 (First Responder Employer Health Benefit Trusts).

**Staff Recommendation:** Staff recommends that the Committee approve the request.

**Staff Analysis:** The supplemental budget request is necessary to ensure that eligible recipients of the benefits will receive their funds in a timely manner.

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The FBCF's purpose is to reimburse employers for the direct costs of maintaining insurance coverage through a trust. The Department of Local Affairs currently has \$839,053 spending authority available for eligible entities through the FY 2024-25 Long Bill (H.B. 24-1430). However, H.B. 24-1219 expanded eligible benefits to include part-time and volunteer firefighters starting in FY 2024-25, which will result in an increase in the volume of payments.

Recent expenditures data for the program shows that the FBCF expended 100.0 percent of the available funds for FY 2023-24 by March of 2024. This was before the expansion of the qualified recipients of the benefits. In order to ensure that all eligible recipients will receive their benefits, the addition of \$300,000 reappropriated funds is necessary at this time.

The FBCF is not continuously appropriated to the Department. The General Fund appropriation in H.B. 24-1219 functionally operated as a transfer to the fund – but the necessary reappropriated funds appropriation was omitted from the appropriations clause. Since the reappropriated funds were not appropriated to the FBCF, the Department does not have the authority to spend the money for its intended purpose. In order to rectify this, the approval of \$300,000 in reappropriated funds is necessary in order for the Department to expend the additional funding provided by H.B. 24-1219.