

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2010-11 STAFF BUDGET BRIEFING**

**DEPARTMENT OF LOCAL AFFAIRS**

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

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**FY 2010-11 BUDGET BRIEFING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

**DEPARTMENT OF LOCAL AFFAIRS**

**Table of Contents**

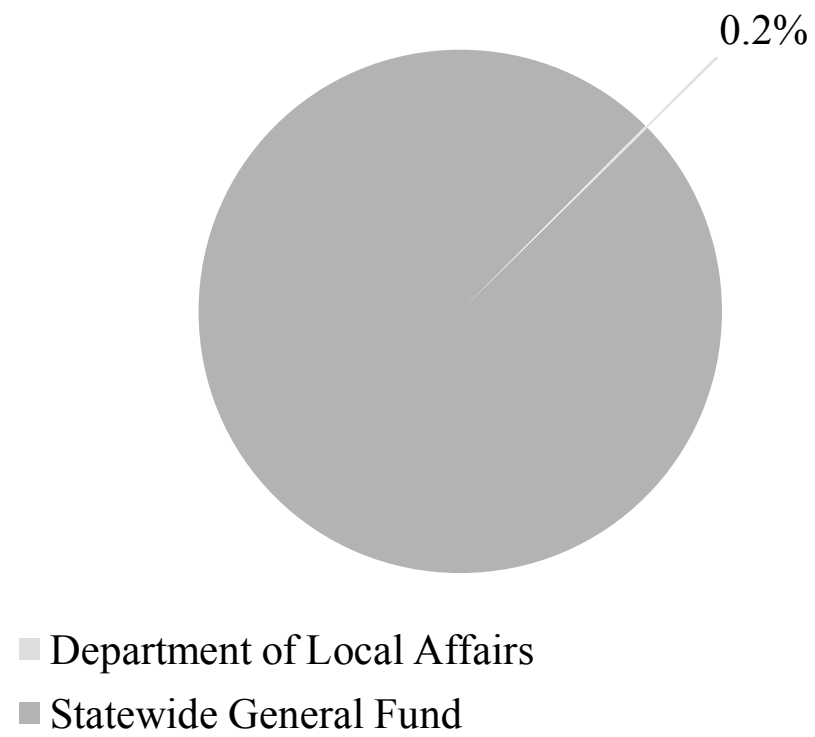
Graphic Overview .....	1
Department Overview .....	3
Decision Items .....	6
Overview of Numbers Pages .....	8
Issues:	
Cash Fund Transfers to the General Fund .....	11
Impact of Revenue Reductions on Grant Program Workload .....	19
Increase Property Tax Exemption Application and Reporting Fees .....	25
Department of Local Affairs General Fund Expenditures .....	27
Appendices:	
A - Numbers Pages	
B - Summary of Major Legislation from 2009 Legislative Session	
C - Update on Long Bill Footnotes and Requests for Information	
D - Severance Tax Revenues: Actuals and Projected	
E - Federal Mineral Lease Tax Revenues: Actuals, Projected, & Distribution	
F - Limited Gaming Tax Revenues: Actuals, Projected, & Distribution	
G - Waste Tire Program Diagram	

# FY 2010-11 Joint Budget Committee Staff Budget Briefing

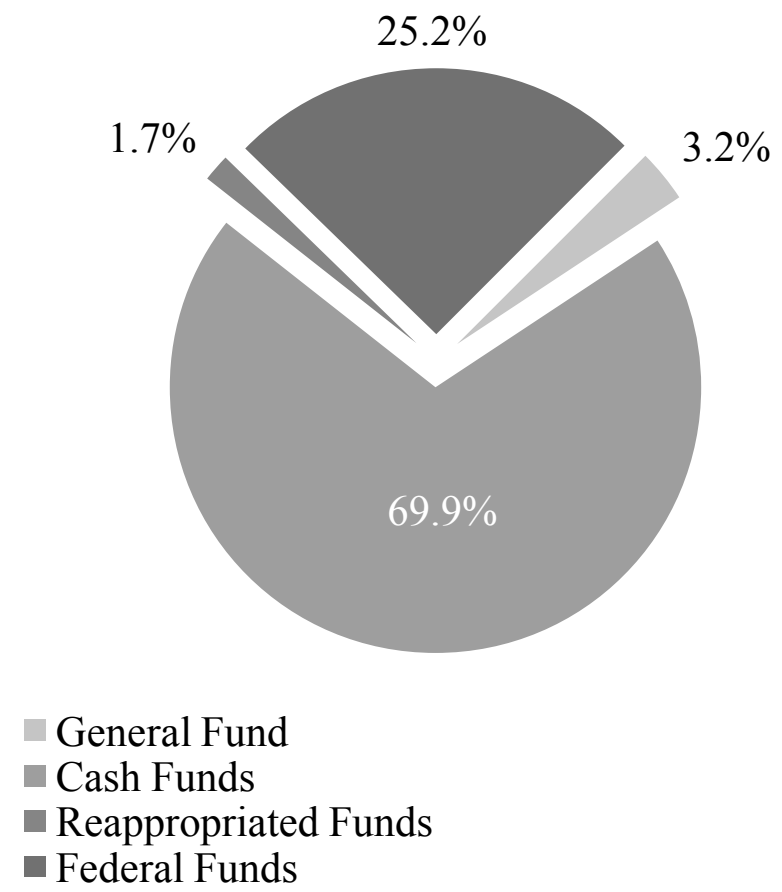
## Department of Local Affairs

### GRAPHIC OVERVIEW

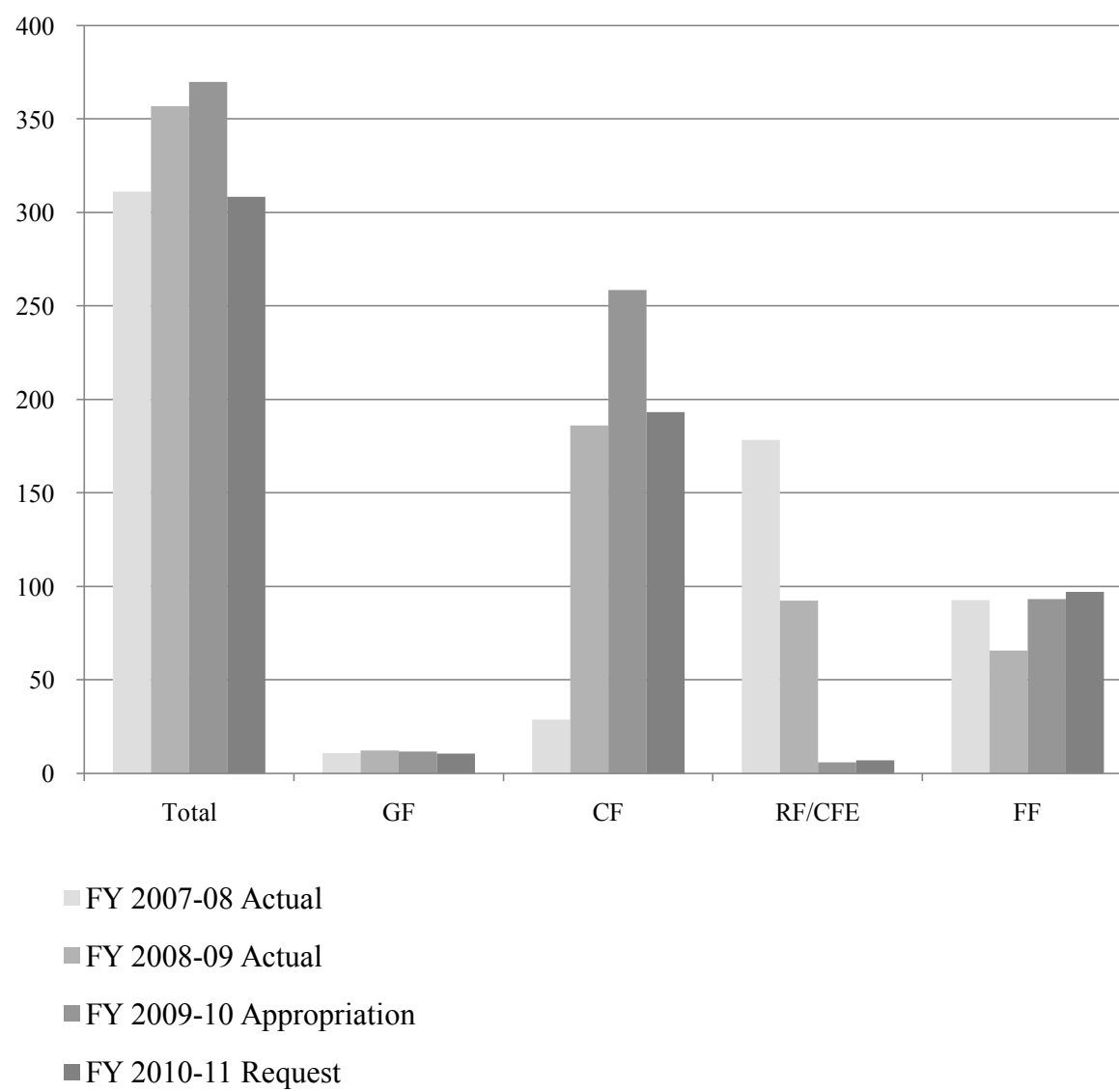
**Department's Share of Statewide General Fund**



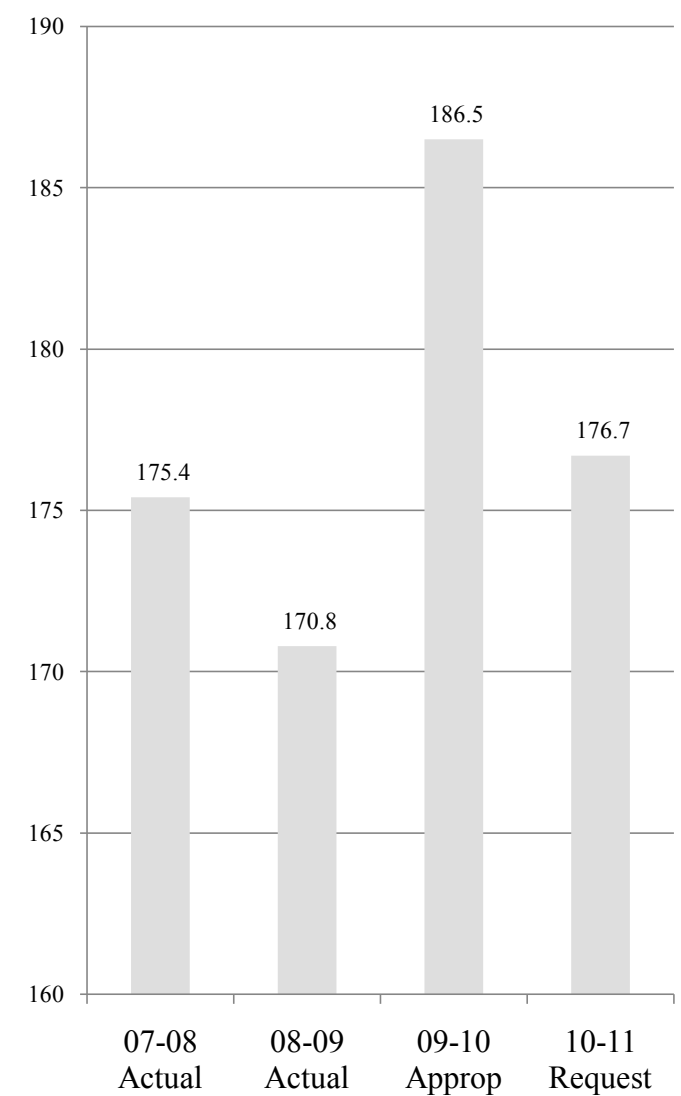
**Department Funding Sources**



**Budget History**  
(Millions of Dollars)

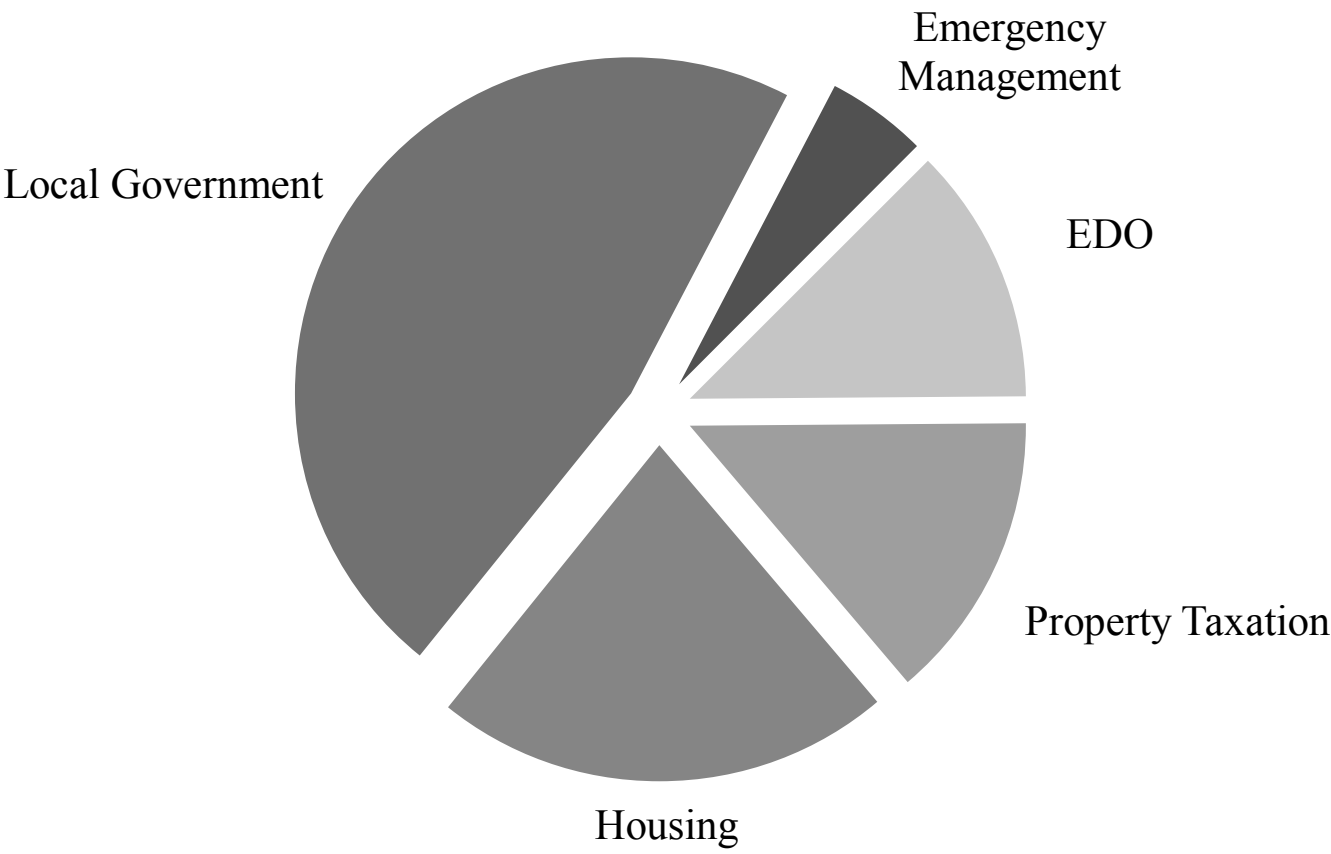


**FTE History**

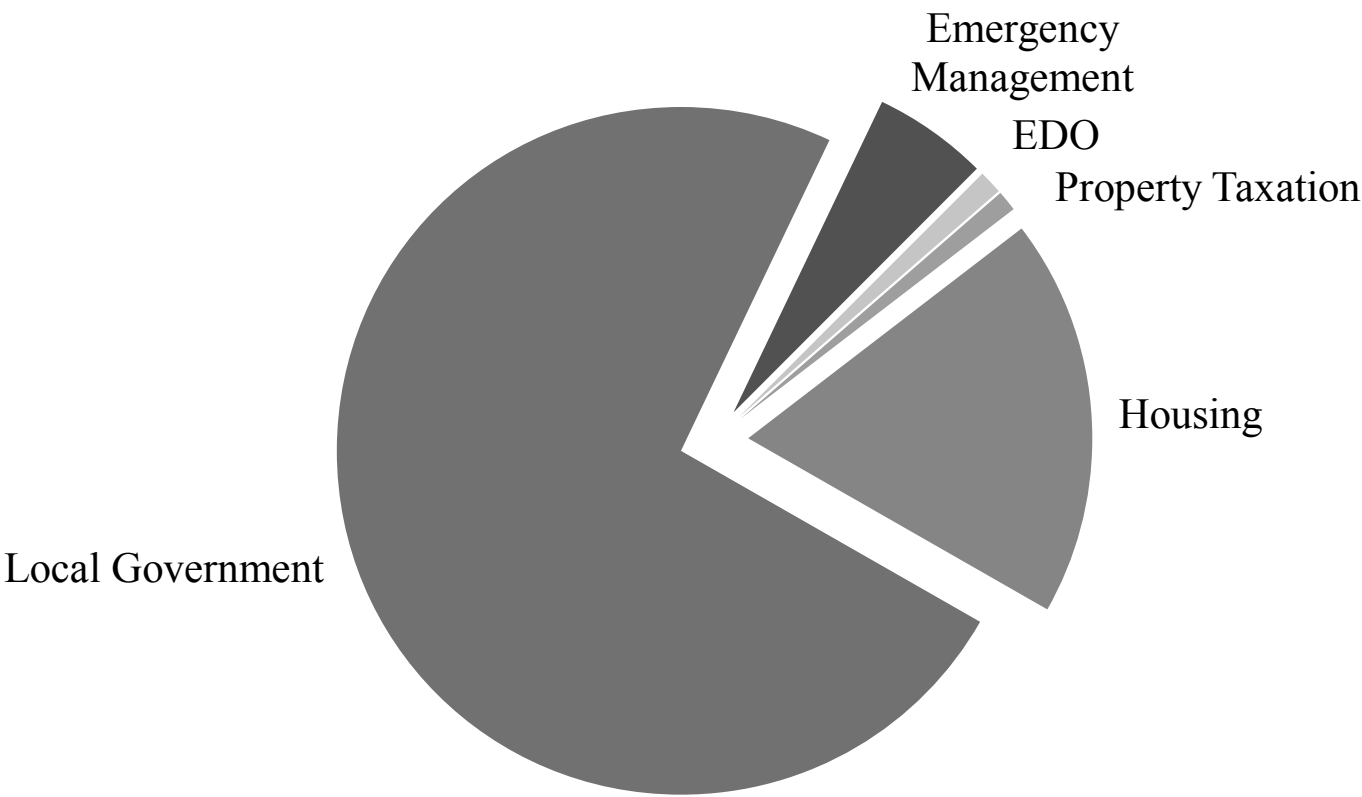


Unless otherwise noted, all charts are based on the FY 2009-10 appropriation.

**Distribution of General Fund by Division**



**Distribution of Total Funds by Division**



**FY 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**DEPARTMENT OVERVIEW**

**Key Responsibilities**

The Department is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. While current law creates a number of divisions and offices within the Department of Local Affairs<sup>1</sup>, the Department currently consists of the following divisions and boards:

- ▶ The Property Tax Administrator and the *Division of Property Taxation*, under the supervision and control of the *State Board of Equalization*, have three primary responsibilities: (1) administering property tax laws, including issuing appraisal standards and training county assessors; (2) granting exemptions from taxation for charities, religious organizations, and other eligible entities; and (3) valuing multi-county companies doing business in Colorado, including railroads, pipelines, and other public utilities.
- ▶ The *Board of Assessment Appeals* is a quasi-judicial body which 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 low-income housing programs, and regulates the manufacture of factory-built residential and commercial buildings.
- ▶ The *Division of Local Government* provides technical assistance to local government officials in budget development, purchasing, demographics, land use planning, and the statutory responsibilities of local officials. This division also administers several state and federal programs to assist local governments in capital construction and community services, including: administering the federal Community Services Block Grant and the Community Development Block Grant; making state grants to communities negatively impacted by mineral extraction and limited gaming activities; distributing Conservation Trust Fund moneys (derived from lottery proceeds) for parks, recreation, and open space; making grants related to waste tire recycling, reuse, and removal; and allocating the state contribution for volunteer firefighter pension plans.

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<sup>1</sup> Divisions, offices, and boards created in Sections 24-1-125, 24-32-2105, 39-2-101, 39-9-101, and 39-2-123, and Article 32 of Title 24, C.R.S., include: the Division of Local Government; the Division of Planning; the Division of Commerce and Development; the Division of Housing; the Office of Rural Development; the Office of the Colorado Youth Conservation and Service Corps; the Office of Disaster Emergency Services; the Division of Emergency Management; the Office of Smart Growth; the Division of Property Taxation; the State Board of Equalization; and the Board of Assessment Appeals.

- ▶ The *Division of Emergency Management* assists local governments in emergency preparedness and response.

### Factors Driving the Budget

Funding for this department consists of 3.2 percent General Fund, 69.9 percent cash funds, 1.7 percent reappropriated funds, and 25.2 percent federal funds.

### Dedicated Funding Sources

The Department of Local Affairs is responsible for a number of programs with dedicated cash revenue sources. The largest of these include (percentage of dedicated cash revenues in italics):

- ▶ *Local Government Mineral and Energy Impact Grants (76.6 percent)* - a portion of state severance tax revenues as well as federal mineral lease revenues distributed to local governments affected by mineral extraction activities;
- ▶ *Conservation Trust Fund Disbursements (19.2 percent)* - a portion of state lottery proceeds distributed to local entities on a formula basis for parks, recreation, and open space purposes;
- ▶ *Limited Gaming Impact Grants (2.5 percent)* - a portion of limited gaming tax revenues distributed to communities impacted by gaming activities; and
- ▶ *Waste Tire Recycling, Reuse, and Removal Grants (1.7 percent)* - a portion of waste tire fees distributed on a competitive basis to assist with conservation efforts.

Program expenditures fluctuate with changes in the revenue available from these various dedicated funding sources. The following table summarizes recent actual and estimated revenues.

Constitutionally or Statutorily Dedicated Cash Revenues Administered by the Department of Local Affairs (\$ millions)					
Revenues	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimated
Severance Tax	\$71.5	\$77.5	\$82.7	\$165.4	\$27.5
Federal Mineral Lease	27.9	40.6	51.0	88.5	34.4
Conservation Trust Fund	50.0	47.6	48.9	48.0	48.0
Limited Gaming Fund	5.8	6.9	6.5	5.5	5.8
Waste Tire Fees	<u>2.9</u>	<u>2.3</u>	<u>3.1</u>	<u>4.0</u>	<u>4.2</u>
<b>Total Dedicated Cash Revenues</b>	<b>\$158.1</b>	<b>\$174.9</b>	<b>\$192.2</b>	<b>\$311.4</b>	<b>\$119.9</b>

### **Federal Funds**

Federal funds comprise about one-fourth (\$93.4 million) of the Department of Local Affairs' FY 2009-10 appropriation. These federally-funded programs generally do not require state matching funds, and funding is provided at the discretion of federal authorities. Major on-going federal grants that are administered by this department are summarized in the following table.

<b>Major On-going Federal Grants Administered by Department of Local Affairs (\$ millions)</b>				
	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Estimated</b>
HUD Section 8 rental assistance /1	\$16.6	\$17.0	\$17.2	\$17.2
HUD Affordable housing development /1, 2	14.7	8.9	9.1	45.3
Preparedness grants and training /3	37.7	35.5	13.2	12.0
HUD Community Development Block Grants /1	9.1	6.7	6.8	7.0
Health and Human Services Community Services Block Grants/1	4.7	5.2	5.2	5.5
HUD Emergency Shelter Program/1	1.0	1.0	1.0	1.0

/1 Amounts exclude portions used for administration and overhead.

/2 The increase from FY 2008-09 to FY 2009-10 includes the one-time receipt of \$34.0 million in federal grant moneys for the Neighborhood Stabilization Program.

/3 The reduction from FY 2007-08 to FY 2008-09 reflects the transfer of approximately \$19.7 million to the Office of the Governor, Office of Homeland Security.

**FY 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**DECISION ITEM PRIORITY LIST**

Decision Item	GF	CF	RF	FF	Total	FTE
1	0	0	6,240	0	6,240	0.0
<p><b>South Central Region DOLA Office Lease</b></p> <p><b>Executive Director's Office.</b> The Department is requesting an increase of \$6,240 reappropriated funds to acquire leased office space for the purposes of accommodating a move of the Department's Central Region office from Monte Vista to Alamosa. Moneys will be furnished from an internal transfer of severance and federal mineral lease tax revenues appropriated to the Local Government Mineral and Energy Impact Grants and Distribution line item in the Division of Local Government. Prior to FY 97-98, the Central Region office was located in Alamosa, however in FY 98-99 when the lease was terminated, the office was moved to Monte Vista where office space was procured. In 2002, it was determined that the regional office would be moved to the Central Region's field staff's private home. Per the Department's request, due to the necessity to have files more accessible to the public and the need for professional meeting space, the request is being made to acquire office space in Alamosa, which the Department believes at this time is a more centralized location for the Central Region office than is Monte Vista. <i>Statutory authority: Section 24-32-104 (1), C.R.S.</i></p>						
2	(9,126)	0	9,126	0	0	0.0
<p><b>Technical Adjustment to FY 2009-10 Refinance of General Fund in the Division of Local Government</b></p> <p><b>Local Government, Field Services.</b> The Department is requesting a decrease of \$9,126 General Fund and a commensurate increase of reappropriated funds to make a technical adjustment to the Governor's FY 2009-10 budget reduction package. The adjustment offsets the restoration of the 1.82 percent personal services reduction applied to program lines with 20.0 or more FTE in the FY 2009-10 Long Bill. <i>Statutory Authority: Sections 34-63-102 (5) (a) and 39-29-110 (1), C.R.S.</i></p>						
NP-1	(21,592)	0	(30,061)	(37,446)	(89,099)	(9.9)
<p><b>Statewide Information Technology Staff Consolidation</b></p> <p><b>All Divisions.</b> Pursuant to S.B. 08-155 (Statewide Information Technology Consolidation), this non-prioritized decision item reflects the request made by the Governor's Office for the budgetary transfer of statewide information technology staff resources from all executive branch agencies to the Governor's Office of Information Technology (as presented by staff to the JBC on November 19, 2009). This request reduces information technology staff in the Department, while commensurately reflects an increase in staff in the Governor's Office of Information Technology. The funding for these positions will continue to be appropriated to the Department, however these appropriations will have a parallel reappropriated funds appropriation to the Office of Information Technology division, within the Office of the Governor (Office of the Governor, DI #1) . <i>Statutory authority: Section 24-37.5-110 (1) (a), C.R.S.</i></p>						



Decision Item	GF	CF	RF	FF	Total	FTE
NP-2	8,556	0	8,187	0	16,743	
<b>Annual Fleet Vehicle Replacement</b>  <b>Executive Director's Office.</b> The Department is requesting an increase to its Vehicle Lease Payments line item to accommodate increases in statewide vehicle costs including fuel, maintenance, and insurance (DPA, DI #3. <i>Statutory authority: 24-30-1104 (2), C.R.S.</i>						
<b>Total</b>	<b>(22,162)</b>	<b>0</b>	<b>(6,508)</b>	<b>(37,446)</b>	<b>(66,116)</b>	<b>(9.9)</b>

**FY 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**OVERVIEW OF NUMBERS PAGES**

The following table summarizes the total change, in dollars and as a percentage, between the Department's FY 2009-10 appropriation and its FY 2010-11 request.

**Total Requested Change, FY 2009-10 to FY 2010-11 (millions of dollars)**

Category	GF	CF	RF*	FF	Total	FTE
FY 2009-10 Appropriation	\$11.9	\$258.6	\$6.1	\$93.4	\$370.0	186.5
FY 2010-11 Request	10.7	193.5	7.2	97.2	308.6	176.7
Increase / (Decrease)	(\$1.1)	(\$65.2)	\$1.0	\$3.8	(\$61.5)	(9.8)
Percentage Change	-9.6%	-25.2%	17.2%	4.1%	-16.6%	-5.3%

\* Does not include \$4.75 million for TANF-Funded Homeless Prevention and Rapid Rehousing Program moneys transferred from the Department of Human Services. This supplemental appropriation for FY 2009-10 was approved by the JBC in September 2009.

The following table highlights the individual changes contained in the Department's FY 2010-11 budget request, as compared with the FY 2009-10 appropriation, by Long Bill division. For additional detail, see the numbers pages in Appendix A.

**Requested Changes, FY 2009-10 to FY 2010-11**

Category	GF	CF	RF	FF	Total	FTE
<b>Executive Director's Office</b>						
Transfer IT Staff from DOLA to OIT (NP-1)	\$176,970	\$0	\$246,383	\$371,046	\$794,399	0.5
Annual Fleet Vehicle Replacement (NP-2)	8,556	0	8,187	0	16,743	0.0
South Central Region Office Lease (DI #1)	0	0	6,240	0	6,240	0.0
Leased Space Increase	198	0	198	1,464	1,860	0.0
Indirect Cost Adjustments	(177,743)	43,984	(8,094)	141,853	0	0.0
FY 09-10 Refinance Field Services with Reappropriated Funds	(114,958)	0	114,958	0	0	0.0
Common Policy Adjustments to FY 10-11	(56,776)	(19,146)	(11,141)	(25,993)	(113,056)	<u>0.0</u>
Common Policy Adjustments to FY 09-10	<u>(190,795)</u>	<u>(460)</u>	<u>179,802</u>	<u>(3,618)</u>	<u>(15,071)</u>	<u>0.0</u>
<b>Subtotal</b>	<b>(\$354,548)</b>	<b>\$24,378</b>	<b>\$536,533</b>	<b>\$484,752</b>	<b>\$691,115</b>	<b>0.5</b>

Category	GF	CF	RF	FF	Total	FTE
<b>Division of Property Taxation</b>						
Restore FY 09-10 Personal Services Reduction	\$21,251	\$12,757	\$14,063	\$0	\$48,071	0.0
Transfer IT Staff from DOLA to OIT (NP-1)	<u>(53,568)</u>	<u>0</u>	<u>(182,184)</u>	<u>0</u>	<u>(235,752)</u>	<u>(3.6)</u>
<b>Subtotal</b>	<b>(\$32,317)</b>	<b>\$12,757</b>	<b>(\$168,121)</b>	<b>\$0</b>	<b>(\$187,681)</b>	<b>(3.6)</b>
<b>Division of Housing</b>						
Anticipated Federal Funding	\$0	\$0	\$0	\$557,693	\$557,693	0.0
Restore FY 09-10 Personal Services Reduction	6,788	1,408	2,795	16,205	27,196	0.0
Transfer IT Staff from DOLA to OIT (NP-1)	0	0	0	(163,107)	(163,107)	(1.9)
Eliminate Unnecessary Spending Authority	<u>0</u>	<u>0</u>	<u>(100,000)</u>	<u>0</u>	<u>(100,000)</u>	<u>0.0</u>
<b>Subtotal</b>	<b>\$6,788</b>	<b>\$1,408</b>	<b>(\$97,205)</b>	<b>\$410,791</b>	<b>\$321,782</b>	<b>(1.9)</b>
<b>Division of Local Government</b>						
Conservation Trust Adj.	0	3,400,000	0	0	3,400,000	0.0
Anticipated Federal Funding	0	0	0	3,147,981	3,147,981	0.0
Indirect Cost Adjustments	0	0	181,162	0	181,162	0.0
Restore FY 09-10 Personal Services Reduction	25,659	1,949	32,693	4,348	64,649	0.0
Vol. Firefighter Retirements	2,451	0	0	0	2,451	0.0
FY 09-10 Refinance Field Services with Reappropriated Funds	(647,007)	0	647,007	0	0	0.0
Technical Adjustment to FY 09-10 Field Services Refinancing with Reappropriated Funds (DI #2)	(9,126)	0	9,126	0	0	0.0
Mineral & Energy Impact Grants	0	(68,000,000)	0	0	(68,000,000)	0.0
Limited Gaming Impact Grants	0	(608,674)	0	0	(608,674)	0.0
Transfer IT Staff from DOLA to OIT (NP-1)	<u>(144,994)</u>	<u>0</u>	<u>(94,261)</u>	<u>(102,618)</u>	<u>(341,873)</u>	<u>(3.3)</u>
<b>Subtotal</b>	<b>(\$773,017)</b>	<b>(\$65,206,725)</b>	<b>\$775,727</b>	<b>\$3,049,711</b>	<b>(\$62,154,304)</b>	<b>(3.3)</b>

Category	GF	CF	RF	FF	Total	FTE
<b>Division of Emergency Management</b>						
Restore FY 09-10 Personal Services Reduction	\$9,243	\$0	\$1,204	\$20,555	\$31,002	0.0
Transfer IT Staff from DOLA to OIT (NP-1)	0	0	0	(142,768)	(142,768)	(1.6)
Annualize 2009 Legislation	<u>(2,201)</u>	<u>0</u>	<u>0</u>	<u>(17,414)</u>	<u>(19,615)</u>	<u>0.1</u>
<b>Subtotal</b>	<b>\$7,042</b>	<b>\$0</b>	<b>\$1,204</b>	<b>(\$139,627)</b>	<b>(\$131,381)</b>	<b>(1.5)</b>
<b>Total Change</b>	<b>(\$1,146,052)</b>	<b>(\$65,168,182)</b>	<b>\$1,048,138</b>	<b>\$3,805,627</b>	<b>(\$61,460,469)</b>	<b>(9.8)</b>

"Adj." is the estimated adjustment.

**FY 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**BRIEFING ISSUE**

**INFORMATIONAL ISSUE:** Cash Fund Transfers to the General Fund

This issue brief provides a status update of cash fund transfers to the General Fund for fiscal years 2008-09 and 2009-10 for funds administered by the Department of Local Affairs.

**SUMMARY:**

- ☐ As of the most recent budget-balance proposal issued by the Governor, approximately \$287 million cash funds from DOLA administered funds have been or will be used for budget-balancing purposes. Of this amount transferred to the General Fund, \$184 million is intended to be used as one-day transfers and \$103 million will be transferred indefinitely.
- ☐ Cash fund transfers that have already occurred and those which are being proposed are discussed.

**DISCUSSION:**

**Cash Fund Transfers.** The following table (Table 1) describes the cash fund transfers impacting cash funds administered by DOLA in FY 2008-09 and FY 2009-10.

<b>Table 1. Cash Fund Transfers to the General Fund (\$ million)</b>							
<b>Cash Fund</b>	<b>FY 2008-09</b>			<b>FY 2009-10</b>			<b>2 Yr Total</b>
	<b>SB 09-208</b>	<b>SB 09-279</b>	<b>Total</b>	<b>SB 09-279</b>	<b>Proposed Transfer</b>	<b>Total</b>	
Local Govt Severance Tax Fund -- <i>Indefinite</i>	\$0.0	\$7.5	<b>\$7.5</b>	\$0.0	\$45.5	<b>\$45.5</b>	<b>\$53.0</b>
Local Govt Severance Tax Fund -- <i>One-day</i>		109.6	<b>109.6</b>		30.0*	<b>30.0</b>	<b>139.6</b>
Local Govt Mineral Impact Fund -- <i>Indefinite</i>		1.0	<b>1.0</b>	22.6		<b>22.6</b>	<b>23.6</b>
Local Govt Mineral Impact Fund -- <i>One-day</i>		14.2	<b>14.2</b>		30.0	<b>30.0</b>	<b>44.2</b>
Local Govt Permanent Fund			<b>0.0</b>		14.3	<b>14.3</b>	<b>14.3</b>
Local Govt Limited Gaming Impact Fund	1.0		<b>1.0</b>		5.1	<b>5.1</b>	<b>6.1</b>
Waste Tire Recycling Development CF		0.2	<b>0.2</b>		1.9	<b>1.9</b>	<b>2.1</b>
Waste Tire Cleanup Fund		0.5	<b>0.5</b>		0.8	<b>0.8</b>	<b>1.3</b>
Home Investment Trust Fund		1.3	<b>1.3</b>			<b>0.0</b>	<b>1.3</b>

Table 1. Cash Fund Transfers to the General Fund (\$ million)							
Cash Fund	FY 2008-09			FY 2009-10			2 Yr Total
	SB 09-208	SB 09-279	Total	SB 09-279	Proposed Transfer	Total	
Building Regulation Fund		1.1	1.1			0.0	1.1
Moffat Tunnel Cash Fund		0.1	0.1			0.0	0.1
<b>Total Transfers to the General Fund</b>	<b>\$1.0</b>	<b>\$135.4</b>	<b>\$136.4</b>	<b>\$22.6</b>	<b>\$127.6</b>	<b>\$150.2</b>	<b>\$286.6</b>
<i>Indefinite:</i>	1.0	11.6	12.6	22.6	67.6	90.2	102.8
<i>One-day:</i>	0.0	123.8	123.8	0.0	60.0	60.0	183.8

\* Please reference the detail related Local Government Severance Tax Fund provided in the Overview by Cash Fund Section of this issue brief.

**Overview by Cash Fund.** For each fund listed in Table 1, the following provides the revenue source(s), purpose, action taken, and action proposed for each cash fund. Funds are listed in the same order as they appear above.

#### Local Government Severance Tax Fund.

*Revenue Source:* This fund consists of 50 percent of total gross receipts realized from the severance taxes imposed on extracted minerals and mineral fuels. Revenues are deposited in the fund on a monthly basis.

*Purpose:* Provides direct distribution and grant opportunities for localities affected by mineral development. Funds also are distributed to political subdivisions to compensate them for loss of property tax revenue resulting from the deduction of severance taxes paid in the determination of the valuation for assessment of producing mines. Seventy percent of the moneys deposited in the fund are distributed as grants by the Department and thirty percent is directly distributed by formula to impacted localities. Please reference Appendix D for actual and projected revenues associated with this fund.

*Action Taken:* During the 2009 legislative session, S.B. 09-279 (Augment FY 2008-09 and FY 2009-10 General Fund Revenues), transferred \$7.5 million from the Local Government Severance Tax Fund to the General Fund as a part of a budget balancing action for FY 2008-09.

*Action Proposed:* On August 24, 2009, the Governor's proposed as a part of his budget balancing package for FY 2009-10, that \$7.6 million from this fund be transferred to the General Fund. In addition, the Governor directed the State Controller to withhold from distribution (i.e., "freeze") \$25 million until January 31, 2009, pending further action by the General Assembly.

To accommodate the September 2009 Legislative Council Staff economic and revenue forecast which indicated that General Fund revenues would require an additional \$240.7 million to balance to the Governor's August 24, 2009 budget balance plan, on October 28, 2009 the Governor revised this request by increasing the amount of moneys frozen to \$37.4 million for FY 2009-10 (increase of \$12.4 million). This number was again revised on December 1, 2009 to be \$37.9 million, for a

total potential transfer of \$45.5 million. This action effectively halts the allocation of Mineral and Energy Impact Grant Program awards from severance tax revenues for the remainder of FY 2009-10 (please note that this action did not affect any awards dispersed to eligible localities on August 31, 2009).

According to a policy change proposal issued by the Office of State Planning and Budgeting (OSPB) on November 6, 2009, the Governor is proposing that upwards of \$60 million from the Local Government Severance Tax Fund has been identified to provide a **one-day transfer** of revenue to the General Fund. This transfer would be part of a larger bill transferring set amounts from various cash funds to the General Fund on June 30, 2010 to effect the balancing of the State's budget. These transfers would then be reversed on July 1, 2010 (similar to action taken in Section 28 of S.B. 09-279). The \$60 million estimate quoted in the November 6, 2009 letter is unlikely given if the full \$37.9 million is transferred to the General Fund. Staff anticipates that an unspecified amount will be transferred as a part of this one-day transfer, but an amount smaller than is estimated by OSPB. For the purposes of estimating the total amount of moneys that may be transferred, staff projects that half the amount of severance tax moneys than has been identified by OSPB for transfer (i.e., \$30 million) will be included in the one-day transfer bill should the full "frozen" amount be transferred in a previous bill.

**Any of the proposed actions described requires a statutory change by the General Assembly.**

Local Government Mineral Impact Fund.

*Revenue Source(s):* This fund consists of 40 percent of the State's share of all "non-bonus" (rents and royalties) tax revenues generated from the extraction of mineral resources from federal lands. One exception is that in FY 2008-09, \$17 million was transferred from the Local Government Permanent Fund to the Local Government Mineral Impact Fund for use in FY 2009-10, pursuant to S.B. 09-232. Revenues are deposited in this fund on a quarterly basis. For more information about the Permanent Fund, please reference its description below.

*Purpose:* Provides direct distribution and grant opportunities for localities socially or economically impacted by mineral development for the purposes of planning, construction, and maintenance of public facilities and for public services. Half of the moneys deposited into this fund are directly distributed by formula to impacted localities and the other half is distributed as grants by the Department. Please reference Appendix E for actual and projected revenues associated with this fund.

*Action Taken:* During the 2009 legislative session, S.B. 09-279 (Augment FY 2008-09 and FY 2009-10 General Fund Revenues), transferred \$1 million from the Local Government Mineral Impact Fund to the General Fund as a part of a budget balancing action taken for FY 2008-09 and \$22.6 million for FY 2009-10. Moneys transferred to the General Fund represented funds intended to be distributed as grants by the Department to impacted localities.

*Action Proposed:* As described above (related to the Local Government Severance Tax Fund) in the policy change proposal issued by the Office of State Planning and Budgeting on November 6, 2009, the Governor is proposing that a **one-day transfer** of approximately \$30 million from the Local Government Mineral Impact Fund to the General Fund on June 30, 2010 with a like restoration of moneys on the next day. **Any such action requires a statutory change by the General Assembly.**

#### Local Government Permanent Fund.

*Revenue Source:* This fund consists of 50 percent the State's share of all "bonus" (fixed and up-front) payments made to the federal government in consideration for granting a lease. Revenues are deposited as they come in on an ongoing basis from the federal government. Please reference Appendix E for actual and projected revenues associated with this fund.

*Purpose:* To help assist localities mitigate fluctuations in federal mineral lease revenues. Statute provides that in the event that federal mineral lease revenues deposited into the fund decline by 10 percent or more than the preceding fiscal year, the General Assembly may appropriate moneys from the fund to the Department, which then must directly distribute to localities by formula.

*Action Taken:* No moneys from this fund have been transferred to the General Fund for budget-balancing purposes. However it should be noted that in FY 2008-09, \$17 million was transferred from the Local Government Permanent Fund to the Local Government Mineral Impact Fund for use in FY 2009-10, pursuant to S.B. 09-232 for the purposes of for infrastructure projects with priority given to communities most directly impacted by energy production, and to grant applications that are submitted jointly by multiple local governments or seek funding for multi-jurisdictional projects.

*Action Proposed:* As a part of the Governor's August 24, 2009 budget balancing package, \$14.3 million has been identified for transfer from this fund to the General Fund. The most recent balance in the Permanent Fund is approximately \$15.1 million (November 9, 2009). Thus, unless additional bonus moneys are anticipated, the proposed transfer would significantly deplete the Permanent Fund. **The action described requires a statutory change by the General Assembly.**

#### Local Government Limited Gaming Impact Fund.

*Revenue Source:* This fund consists of 13 percent of all limited gaming tax revenues (less administrative expenditures) received by the State that would otherwise be transferred to the General Fund (50 percent). Thus, essentially 6.5 percent of all limited gaming tax revenues received.

*Purpose:* To provide financial assistance to designated local governments for documented gaming impacts. Assistance is provided in the form of grants under the authority of the Executive Director. Of the amount deposited into the fund, 98 percent of moneys are distributed as grants to qualifying impacted localities and special districts. The remaining 2 percent is appropriated to the Department of Human Services to provide gambling addiction services to Colorado residents. Eligible recipients include Teller and Gilpin counties, and an eight county area contiguous to these counties, which includes Boulder, Clear Creek, Grand, Jefferson, El Paso, Fremont, Park, and Douglas counties. Archuleta, La Plata, and Montezuma counties are also eligible because they are contiguous to tribal



lands where gaming activities are being conducted. Further municipalities within gaming counties (except for gaming cities of Black Hawk, Central City, and Cripple Creek), and special districts which provide emergency services within eligible counties are permitted to apply. Please reference Appendix F for actual and projected revenues associated with this fund.

*Action Taken:* During the 2009 legislative session, S.B. 09-208 (Augment FY 2008-09 General Fund Revenues), transferred \$950,000 from this fund to the General Fund for FY 2008-09 budget balancing purposes.

*Action Proposed:* As a part of the Governor's August 24, 2009 budget balancing package, \$5.1 million has been identified for transfer from this fund to the General Fund. This action will eliminate new grant funding for FY 2009-10. **The action described requires a statutory change by the General Assembly.**

#### Waste Tire Recycling Development Cash Fund.

*Revenue Source:* This fund consists of a portion (\$0.50) of the revenue generated from the \$1.50 fee collected on the sale of new tires.

*Purpose:* Moneys deposited in the fund are used to encourage the disposal, recycle or reuse of illegally dumped tires and to encourage the recycling of reuse and waste tires. Please reference Appendix G for a diagram exhibiting how moneys collected related to the Colorado Waste Tire Program are distributed.

*Action Taken:* During the 2009 legislative session, S.B. 09-279 (Augment FY 2008-09 and FY 2009-10 General Fund Revenues), transferred \$150,000 from this fund to the General Fund for FY 2008-09 budget balancing purposes.

*Action Proposed:* On August 24, 2009, the Governor's proposed as a part of his budget balancing package for FY 2009-10, that \$1.9 million from this fund be transferred to the General Fund. This action will effectively eliminate new grant funding in FY 2009-10. **The action described requires a statutory change by the General Assembly.**

#### Waste Tire Clean Up Fund.

*Revenue Source:* This fund consists of a portion (\$0.25) of the revenue generated from the \$1.50 fee collected on the sale of new tires.

*Purpose:* Moneys deposited in the fund are used to encourage the disposal, recycle or reuse of illegally dumped tires and to encourage the recycling of reuse and waste tires. Please reference Appendix G for a diagram exhibiting how moneys collected related to the Colorado Waste Tire Program are distributed.

*Action Taken:* During the 2009 legislative session, S.B. 09-279 (Augment FY 2008-09 and FY 2009-10 General Fund Revenues), transferred \$500,000 from this fund to the General Fund for FY 2008-09 budget balancing purposes.

*Action Proposed:* On August 24, 2009, the Governor's proposed as a part of his budget balancing package for FY 2009-10, that \$800,000 from this fund be transferred to the General Fund. This action will effectively eliminate new grant funding in FY 2009-10. **The action described requires a statutory change by the General Assembly.**

Home Investment Trust Fund.

*Revenue Source:* Original source of funds was from a federal award. Principal and interest payments received from the borrower are deposited into the fund as they are received.

*Purpose:* The State Housing Board is required to use the Revolving Fund (a.k.a the Housing Rehabilitation Revolving Fund) to pay into the fund any moneys made available by the federal, state, or local government for the purpose of assisting in the provision of housing facilities for low- and moderate-income families. All moneys held in the revolving fund, including but not limited to income or interest earned by, or any other increment to, such fund shall be used by the board for its general purposes. Any surplus moneys in the fund may be deposited in the General Fund. The existing fund balance represents moneys that could otherwise be reverted to the General Fund at the end of the year.

*Action Taken:* During the 2009 legislative session, S.B. 09-279 (Augment FY 2008-09 and FY 2009-10 General Fund Revenues), transferred \$1,284,000 from this fund to the General Fund for FY 2008-09 budget balancing purposes.

*Action Proposed:* None.

Building Regulation Fund.

*Revenue Source:* Registration fees are collected from installers and sellers of manufactured homes, pursuant to Sections 24-32-3315 (5) and 3323 (3), C.R.S.

*Purpose:* To provide funding for the direct and indirect costs incurred by the Manufactured Buildings Program in carrying out and enforcing the regulation of factory-built structures, manufactured home installations, and sellers of manufactured homes.

*Action Taken:* During the 2009 legislative session, S.B. 09-279 (Augment FY 2008-09 and FY 2009-10 General Fund Revenues), transferred \$1,101,349 from this fund to the General Fund for FY 2008-09 budget balancing purposes.

*Action Proposed:* None.

Moffat Tunnel Cash Fund.

*Revenue Source:* Revenues to the fund are from annual leases for use of the tunnel.

*Purpose:* The Department is provided custodial authority of the Moffat Tunnel Improvement District, pursuant to Section 32-8-124.7 (3), C.R.S. Moneys in the fund are for the necessary administrative costs relating to the property of the district.

*Action Taken:* During the 2009 legislative session, S.B. 09-279 (Augment FY 2008-09 and FY 2009-10 General Fund Revenues), transferred \$86,758 from this fund to the General Fund for FY 2008-09 budget balancing purposes.

*Action Proposed:* None.

**Severance and FML Revenue Forecast.** Severance tax and federal mineral lease revenue for the purposes of administering the Mineral and Energy Impact Assistance Program reflect approximately 76.6 percent of all cash revenues appropriated to the Department. The following table details actual and estimated severance tax and federal mineral lease tax revenues that will be received by the Department according to the September 2009 Legislative Council Staff economic and revenue forecast. Please note the dramatic decrease in tax revenue collection between FY 08-09 and FY 09-10, and the gradual restoration of revenue moneys to more normal levels that are anticipated.

Table 2. Severance Tax and Federal Mineral Lease Tax Revenues Administered by DOLA (\$ million)				
Assistance	FY 08-09 Actual	FY 09-10 Est.	FY 10-11 Est.	FY 11-12 Est.
Department Grants	\$151.0	\$36.4	\$72.5	\$86.8
Direct Distribution	<u>83.6</u>	<u>25.4</u>	<u>43.3</u>	<u>50.5</u>
<b>Total</b>	<b>\$234.6</b>	<b>\$61.8</b>	<b>\$115.8</b>	<b>\$137.3</b>
<b>Annual Change</b>		<b>(\$172.8)</b>	<b>\$54.0</b>	<b>\$21.5</b>
<b>Annual Change %</b>		<b>-73.7%</b>	<b>87.4%</b>	<b>18.6%</b>

**Reaction to the Governor's Proposal.** Staff contacted both the Colorado Municipal League (CML) and Colorado Counties, Inc. (CCI) to better understand their concerns related to the Governor's proposed budget balance actions to transfer moneys to the General Fund that would otherwise go to localities. Some of the key concerns these entities shared with staff include:

- Budget conditions in many local governments are as bad or worse than the state;
- The redirection of energy and gaming moneys to the General Fund shifts the burden of the state's budget shortfall to local government;

- The lack of the energy and gaming impact moneys that would have otherwise gone to local governments prohibits the mitigation of the impacts for which these moneys were intended (i.e., impact of Amendment 50 has augmented this impact); and
- Property tax assessments are expected to have a large impact on county budgets and the loss of other revenue streams such as from DOLA's energy and gaming impact grant programs will further exacerbate the strain on local governments.

**FY 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**BRIEFING ISSUE**

**INFORMATIONAL ISSUE:** Impact of Revenue Reductions on Grant Program Workload

This issue brief reviews the impact that proposed revenue reductions would have on grant program workload in FY 2009-10.

**SUMMARY:**

- ❑ As a part of the Governor's FY 2009-10 budget reduction package, approximately \$67.6 million of grant moneys would be transferred indefinitely from various Department-administered cash funds to the General Fund.
- ❑ In recent years program metrics for the Energy and Mineral Impact Assistance Grant Program indicate that the state-to-local match leverage ratio has increased and for the Limited Gaming Impact Grant Program this ratio has decreased.
- ❑ Revenue reductions to all grant programs affected by the proposed FY 2009-10 budget reduction plan will not yield any significant workload decreases. However, should revenue reductions continue into subsequent years, the workload for the Limited Gaming Impact Grant Program and the Waste Tire Grant Program will diminish significantly.

**DISCUSSION:**

**BACKGROUND**

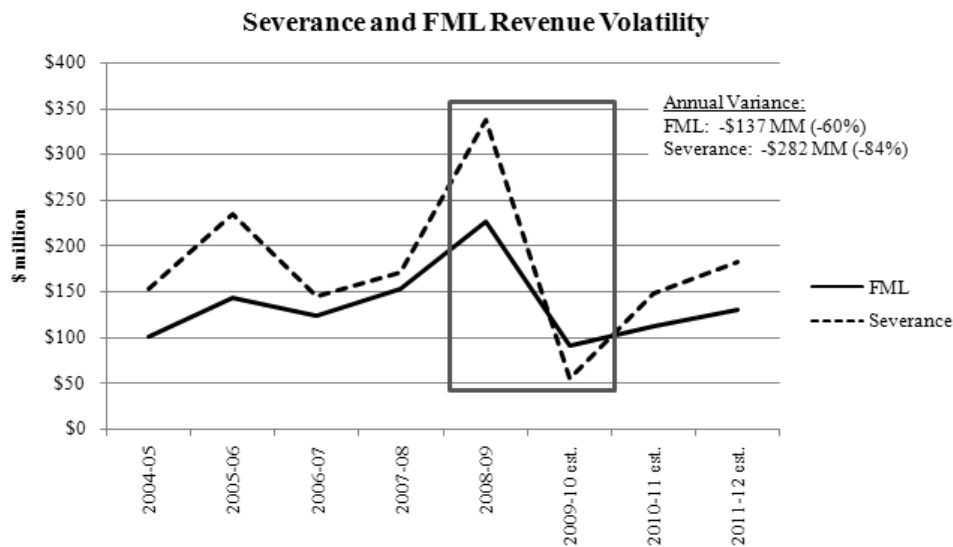
**Cash Funds Administered by the Department.** As is detailed in the following table, it is anticipated that the FY 2009-10 revenues deposited into the Department's dedicated cash funds will decrease by 61.5 percent (\$192 million) compared to the previous year. Estimated FY 2009-10 revenues were provided by the September 2009 Legislative Council Staff economic and revenue forecast, unless otherwise noted.

Dedicated Cash Revenues Administered by the Department of Local Affairs (\$ millions)					
Revenues	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimated
Severance Tax	\$71.5	\$77.5	\$82.7	\$165.4	\$27.5
Federal Mineral Lease	27.9	40.6	51.0	88.5	34.4
Conservation Trust Fund <sup>1</sup>	50.0	47.6	48.9	48.0	48.0
Limited Gaming Fund <sup>2</sup>	5.8	6.9	6.5	5.5	5.8
Waste Tire Fees <sup>1</sup>	<u>2.9</u>	<u>2.3</u>	<u>3.1</u>	<u>4.0</u>	<u>4.2</u>
<b>Total Dedicated Cash Revenues</b>	<b>\$158.1</b>	<b>\$174.9</b>	<b>\$192.2</b>	<b>\$311.4</b>	<b>\$119.9</b>
<b>Annual Change</b>	<b>n/a</b>	<b>\$16.8</b>	<b>\$17.3</b>	<b>\$119.2</b>	<b>(\$191.5)</b>
<b>Annual Change %</b>	<b>n/a</b>	<b>10.6%</b>	<b>9.9%</b>	<b>62.0%</b>	<b>-61.5%</b>

<sup>1</sup> Estimate provided by the Department of Local Affairs

<sup>2</sup> Estimate provided by the Department of Revenue

**Revenue Volatility.** As is exhibited in the following table, gross state revenues from severance taxes and federal mineral lease taxes are very volatile.



**Proposed Cash Fund Transfers.** As a part of the Governor's FY 2009-10 budget-reduction package, the proposal includes General Fund revenue enhancements that includes moneys from DOLA administered cash funds. The following table exhibits the cash funds that are a part of the proposal, the transfer amount, and some key points about the suggested transfer.

Proposed FY 2009-10 Cash Fund Transfers to the General Fund (\$ million)		
Cash Fund	Proposed Transfer Amount	Key Points
Local Government Severance Tax Fund	\$45.5	-- Will eliminate new grants in FY 09-10. -- \$7.6 M identified; \$37.9 M "frozen".
Local Government Severance Tax Fund	30.0	-- On November 6, 2009 OSPB indicated \$60 M, however staff estimates half this amount. -- Transfer amount is for <u>one day</u> .
Local Government Mineral Impact Fund (FML)	30.0	-- Will eliminate new grants in FY 09-10. -- Transfer amount is for <u>one day</u> . -- S.B. 09-279 transfers \$22.9 M to General Fund in FY 09-10.
Local Government Permanent Fund (FML)	14.3	-- Current balance is approximately \$15.1 M, the transfer will significantly deplete the fund.
Local Government Limited Gaming Impact Fund	5.1	-- Will eliminate new grants in FY 09-10.
Waste Tire Cash Funds	<u>2.7</u>	-- Will terminate 6 local government contracts and deny payment to 4 end users and processors.
<b>Total FY 09-10 Proposed Transfer</b>	<b>\$127.6</b>	
Indefinite Transfer	67.6	
One-day Transfer	60.0	

## **PROGRAM METRICS & TRENDS**

**Energy & Mineral Impact Assistance Program.** The following table provides some general program metrics calculated by staff related to the Energy & Mineral Impact Grant Program. The data is informational in nature, however staff would like to highlight the "Leverage Ratio", which reflects the total amount of capital that is generated for every \$1 contributed by the state, which over the last three completed fiscal years was 3.8. The three-year average grant amount was \$310,843 distributed to 332 awardees. Please note that most contracts are signed within one year, but the negotiation process can sometimes take up to four years. Even once a contract is signed, not all of the money may be encumbered by the Department if there are conditions in the contract.

Energy & Mineral Impact Grant Program Performance Measures (\$ million)									
Fiscal Year	M&E Impact Award	Local Match	Total Project	Leverage Ratio	Total number of awards, by total project amount				
					Total	<\$1M	\$1M<\$5M	\$5M<\$10M	\$10M+
2006-07	\$90.7	\$249.2	\$339.9	3.7	297	207	77	9	4
2007-08	116.3	294.0	410.2	3.5	341	235	92	8	6
2008-09	102.5	327.2	429.7	4.2	359	257	87	10	5
<b>3-Yr Avg</b>	<b>\$103.2</b>	<b>\$290.1</b>	<b>\$393.3</b>	<b>3.8</b>	<b>332</b>	<b>233</b>	<b>85</b>	<b>9</b>	<b>5</b>

*Trends:* Over three years, the Department has awarded \$309.5 million in energy impact grants, leveraging approximately \$1.2 billion in total moneys to areas impacted by mineral extraction. The leverage ratio over the three year period is 3.8. This indicates that for every \$1 the state contributes, localities matched this with \$2.80. In FY 2008-09, the program leveraged nearly \$3.20 from localities for every state dollar invested, a 28 percent annual leverage increase.

**Limited Gaming Impact Grant Program.** The following table provides some general program metrics calculated by staff related to the Limited Gaming Impact Grant Program. The data is informational in nature, however staff would like to highlight the "Leverage Ratio", which reflects the total amount of capital that is generated for every \$1 contributed by the state, which over the last three completed fiscal years was 1.7. The three-year average grant amount was \$132,630 distributed to 148 awardees. Grants are for one-time in nature, however the program is not restricted from awarding the recipients in successive years.

Limited Gaming Impact Grant Program Performance Measures (\$ million)					
Fiscal Year	Gaming Impact Award	Local Match	Total Project	Leverage Ratio	Awards
2006-07	\$6.5	\$4.5	\$11.0	1.7	51
2007-08	6.2	5.3	11.5	1.9	49
2008-09	6.9	4.1	11.0	1.6	48
<b>3-Yr Avg</b>	<b>\$6.5</b>	<b>\$4.6</b>	<b>\$11.2</b>	<b>1.7</b>	<b>49</b>

*Trends:* Over three years, the Department has awarded \$19.6 million in gaming impact grants, leveraging approximately \$33.5 million in total moneys to areas impacted by limited gaming. The leverage ratio over the three year period is 1.7. This indicates that for every \$1 the state contributes, localities matched this with \$0.70. In FY 2008-09, the program leveraged nearly \$.60 from localities for every state dollar invested, a 16 percent annual leverage decrease.

A more notable trend reflects the reoccurrence of grants distributed to the same impacted counties, cities, and special districts which over the three year period reviewed by staff. Of the \$6.9 million of limited gaming impact grants awarded in FY 2008-09, approximately \$4.9 million (71.2 percent) was awarded to entities that have also received awards in fiscal years 2006-07 and 2007-08. Thus, the majority of awards are distributed to the same recipients year after year. This could reflect that the grant moneys can only be used by certain designated counties, cities, and entities that qualify, thus limiting the range of eligible recipients.

Because program rules permit the use of grant moneys for operational expenditures, any recipient that has become accustomed to receiving grant moneys may be at risk if the moneys they have operationally become dependent upon become unavailable as a result the transfer of funds to the General Fund. However, it should be noted that every grant award letter includes the following statement, "gaming grants awarded for operational costs should not be viewed as long term funding



commitments. The Department cannot guarantee grant funds will be available in future years to support these ongoing operational costs."

## **ANALYSIS**

**Impact of Revenue Reductions on Workload.** Staff inquired of the Department whether the proposed transfer of cash funds to the General Fund for budget-balancing purposes would reduce or eliminate workload for those whose duties include administering these moneys. The following discusses staff's findings.

*Workload Drivers:* Department Local Government (DLG) staff provide technical and financial assistance to local officials and their staff in the day-to-day operation of government. Some of the technical services provided include assistance through workshops, publications, individual consultations and on-line resources. Various technical assistance topics include: budgeting and financial management, land use planning, special district elections, general government administration, purchasing, personnel, and water and wastewater management.

Financial assistance includes overseeing application, contract and payment distribution processes, developing partnerships with federal funding agency providers and conducting training sessions for local government grantees in project administration activities. These services are a part of the management of grant and loan programs specifically designed to address public facility and service needs. These grant programs include:

- Energy and Mineral Impact Assistance Program (severance tax and FML)
- Community Development Block Grants
- Local Government Limited Gaming Impact Assistance Grants
- Waste Tire Grants
- Community Services Block Grants

*Impact to Workload by Grant Program:* The following describes the impact to workload that revenue reductions would have on the various programs that would be affected by the Governor's proposed FY 2009-10 budget reduction plan.

- Energy and Mineral Impact Assistance Program. This program receives portions of revenues from severance taxes and federal mineral lease taxes. The Department indicates that as a result of record revenues received by the Program, record number of grants have been awarded, thus driving the ratio of time spent on financial assistance higher than in prior years. The Department estimates that recently, 75 percent of their time is spent on financial assistance, and 25 percent of their time is spent on technical assistance. Due to the Volatility of severance tax and FML revenues, the Department anticipates seeing (as they have in the past), an inversion of this ratio due to the significant decrease in revenues that is anticipated. The Department indicates that when local governments experience a decrease in revenues, this affects their fiscal health thus increasing the demand for technical assistance in

budgeting and financial management from DLG staff. Thus, the one-time transfer of \$45.5 million from the Local Government Severance Tax Fund would not significantly affect staff workload, but rather the type of assistance provided.

- Local Government Limited Gaming Impact Assistance Grants. This program receives a portion of revenues from limited gaming taxes. The Department indicates that the one-time transfer of \$5.1 million to the General Fund would eliminate new grants in FY 2009-10, however the Department anticipates that there will not be a significant reduction in workload. According to the Department, there are currently 45 outstanding projects, with balances totaling \$6.4 million, which need to be managed and monitored. The management and monitoring includes: (a) review reports and payment requests, authorize and process payments; (b) monitor contracts, revise through contract amendment process if necessary; (c) close out projects following standardized verification process of final payment and financial reporting; (d) maintain database for the program which includes awards, contracts, payments and status; (e) respond to requests for information; and (f) begin the 2010-11 grant cycle in February 2010 with the receipt of applications, numbering and recording in database, creating files, reviewing and preparing project analyses.
- Waste Tire Program. This program receives portions of the revenues collected from fees on new tires. The one-time transfer of \$2.7 million to the General Fund would terminate 6 local government contracts, deny payment to 4 end users and processors, and deny funding requests to several other applications. However, the Department does not anticipate any significant reduction in administrative workload. Currently the program has 27 open contracts that will expire throughout calendar 2009-2010. The close out of contracts require several steps which require time to complete and would not cease at the start of the next fiscal year. Further, other responsibilities include de-obligating contracts, monitoring monthly revenues, answering increased email and phone call volume related to the elimination of new grants, and preparation and attendance at waste tire stakeholder meetings at the request of General Assembly members.

*Staff Conclusion:* Based on the information provided by the Department in response to the question asked by staff, staff believes that in the case of the Energy & Mineral Impact Assistance Program, the proposed transfer of funds that provide revenue to the program will not have a significant impact on workload in FY 2009-10 or in out-years, unless a very long and sustained halt in mineral extraction continues in the State. However, with respect to the Gaming Impact Assistance Program and the Waste Tire Program, workload will remain consistent through FY 2009-10 in light of the elimination of new grants during this fiscal year. However, should the revenues that sustain these programs also be transferred to the General Fund in the following year (FY 2010-11) then the workload for these two programs will diminish considerably, and may require program resources tied to these programs be reduced commensurately.

**FY 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**BRIEFING ISSUE**

**ISSUE: Increase Property Tax Exemption Application and Reporting Fees**

This issue brief recommends that the fees in statute for the Property Tax Exemption Program be modified to accommodate the full costs of the program, thus eliminating the General Fund which necessary to cover current year program expenditures.

**SUMMARY:**

- ☐ Property tax exemption application and reporting filing fees do not sufficiently cover the costs of administering the Property Tax Exemption Program.
- ☐ By modifying statutory application and reporting filing fees and permitting the Property Tax Administrator to set fees commensurate with program expenditures, an ongoing savings of \$160,000 General Fund would be generated.

**RECOMMENDATION:**

Staff recommends that the JBC sponsor legislation to adjust the statutory fees charged to property owners who are applying for property tax exemption or are submitting the annual reports to maintain exempt status on those properties already granted exemption.

**DISCUSSION:**

**Property Tax Exemption Program.** This program is funded with statutory filing fees charged to property owners who are applying for property tax exemption or are submitting the annual reports to maintain exempt status on those properties already granted exemption.

**Senate Bill 03-261.** Prior to 2003, the Property Tax Exemption Program was fully funded with General Fund. However, in the last budgetary crisis, the JBC sponsored legislation (S.B. 03-261) to revise certain fees collected by the Department. Among other changes, the bill revised fees for property tax exemption applications, annual reports, and delinquent reports, and required these fees to be credited to the newly created Property Tax Exemption Fund to pay for the program's direct and indirect costs to administer the program. The fees changed in statute in 2003 were designed to generate a target amount of cash revenue to achieve a certain amount of General Fund savings, not to fully cash-fund the program.

**Insufficient Revenue from Fees.** Currently fees deposited into the Property Tax Exemption Fund cover only 82 percent of operating costs (\$702,044), thus requiring General Fund to backfill the remaining 18 percent (\$154,561).

**Staff Recommendation.** Staff recommends the JBC sponsor legislation to revise fees for property tax exemption applications, annual reports, and delinquent reports. Staff recommends the JBC include the following provisions in the bill:

- Add permissive language such that the General Assembly may annually determine the amount appropriate from the Property Tax Exemption Fund to the Division to cover program expenditures;
- Set staff's recommended fee structure (see table below) as the new minimum fee level in statute and authorizes the Property Tax Administrator to annually fix fees to pay for the direct and indirect costs to administer the program and reasonable reserves for contingencies;
- Authorize the Property Tax Administrator to promulgate rules which would permit them to waive late filing fees when warranted; and
- Make the fee structure more punitive towards delinquent filers. The current fee structure is such that timely application filers subsidize program costs for delinquent filers, the new fee structure would create more equity within the fee schedule. In addition the new structure would permit the Property Tax Administrator to waive approximately 24 late filing fees and still cover programmatic expenditures.

Staff's Recommended Proposed Fee Increase					
Program Fee	Current Fee in Statute	Proposed Fee	Fee Increase %	Estimated Increase in Revenue	Proposed Total Revenue <sup>1</sup>
Application Fee	\$150	\$165	10.0%	\$10,455	\$115,005
Annual Report - Timely Filing	53	65	22.6%	106,358	576,095
Annual Report - Late Filing	150	200	33.3%	42,582	170,400
<b>Total Proposed Revenue</b>				<b>\$159,395</b>	<b>\$861,500</b>
Program Costs					856,605
General Fund Expenditure / (Savings)					(4,895)

<sup>1</sup> Revenue estimates based on FY 2008-09 actuals.

**FY 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**BRIEFING ISSUE**

**INFORMATIONAL ISSUE:** Department of Local Affairs General Fund Expenditures

This informational issue brief provides an overview of how the Department's General Fund is expended by line item and by line item type.

**SUMMARY:**

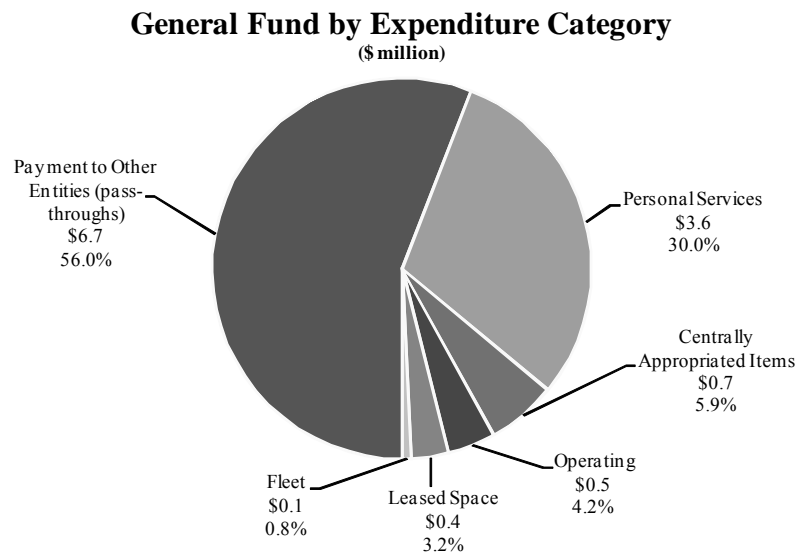
- ☐ In FY 2009-10 the Department of Local Affairs was appropriated \$11.9 million General Fund.
- ☐ Approximately 56 percent of these General Fund moneys are passed through to another Department or other entity and 30 percent reflect personal services expenditures.

**DISCUSSION:**

**General Fund by Long Bill Line Item.** The following table exhibits how the Department's General Fund is appropriated by line item in accordance with the 2009 Long Bill (S.B. 09-259).

Division	Long Bill Line Item	General Fund	Pct of Total GF	FTE
Local Government	Volunteer Firefighters Retirement Plans and Death and Disability Insurance	\$4,141,912	34.8%	0.0
Housing	Affordable Housing	2,225,000	18.7%	0.0
Taxation	Division of Property Taxation	1,335,345	11.2%	15.7
Local Government	Personal Services	893,182	7.5%	10.3
Emergency Management	Administration	575,611	4.8%	8.1
Executive Director's Office	Health, Life, and Dental	535,683	4.5%	0.0
Local Government	Program Costs	493,011	4.1%	4.9
Housing	Personal Services	366,706	3.1%	4.6
Executive Director's Office	Capitol Complex Leased Space	354,303	3.0%	0.0
Taxation	Board of Assessment Appeals	304,656	2.6%	7.0
<i>All Other</i>	17 line items	664,204	5.6%	0.0
<b>Total</b>		<b>\$11,889,613</b>	<b>100.0%</b>	<b>50.6</b>

**Concentrations of General Fund by Expenditure Category.** The following pie chart exhibits how the Department's FY 2009-10 General Fund appropriation is appropriated by expenditure type. Approximately 56 percent (\$6.7 million) of these moneys are passed through to another Department or other entity (program), and 30 percent (\$3.6 million) reflect personal services expenditures.



**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 OSP B Request</b>	<b>Change Requests</b>
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <b>DEPARTMENT OF LOCAL AFFAIRS</b>  <b>Executive Director: Susan Kirkpatrick</b> </div> <p><b>(1) EXECUTIVE DIRECTOR'S OFFICE</b></p> <p>This section provides funding for management and administration of the Department, including human resources, accounting, and budgeting. This section also includes funding for the Moffat Tunnel Improvement District. Significant Reappropriated Funds sources include: Local Government Severance Tax Fund, the Local Government Mineral Impact Fund, indirect cost recoveries, and transfers from other agencies.</p>					
Personal Services	1,100,118	1,120,483	1,207,606	1,271,746	
FTE	<u>12.3</u>	<u>12.7</u>	<u>13.2</u>	<u>13.7</u>	
General Fund	0	39,785	0	(177,743)	
FTE	0.0	0.5	0.0	0.0	
Cash Funds	0	0	0	43,984	
Reappropriated Funds/Cash Funds Exempt	1,100,118	1,080,698	1,207,606	1,263,652	<b>NP-1</b>
FTE	12.3	12.2	13.2	13.7	<b>NP-1</b>
Federal Funds	0	0	0	141,853	
Group Health and Life	<u>812,957</u>	<u>1,075,731</u>	<u>1,023,585</u>	<u>869,096</u>	
General Fund	409,854	562,973	535,683	396,344	<b>NP-1</b>
Cash Funds	74,727	139,277	132,526	113,967	
Reappropriated Funds/Cash Funds Exempt	121,956	172,119	163,776	217,445	<b>NP-1</b>
Federal Funds	206,420	201,362	191,600	141,340	<b>NP-1</b>
*RF: Mineral & Energy Impact	116,037	172,119	163,776	217,445	

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>OSPB Request</b>	<b>Requests</b>
Short-term Disability	<u>14,996</u>	<u>15,738</u>	<u>18,541</u>	<u>15,928</u>	
General Fund	5,823	5,241	7,029	5,229	<b>NP-1</b>
Cash Funds	1,892	2,129	2,945	2,753	
Reappropriated Funds/Cash Funds Exempt	3,688	4,238	4,438	4,681	<b>NP-1</b>
Federal Funds	3,593	4,130	4,129	3,265	<b>NP-1</b>
<i>*RF: Mineral &amp; Energy Impact</i>	2,782	4,238	4,438	4,681	
S.B. 04-257 Amoritization Equalization	<u>84,649</u>	<u>193,694</u>	<u>250,029</u>	<u>246,603</u>	
General Fund	31,727	64,510	94,850	80,983	<b>NP-1</b>
Cash Funds	10,916	26,498	39,479	41,320	
Reappropriated Funds/Cash Funds Exempt	21,279	51,858	59,334	71,102	<b>NP-1</b>
Federal Funds	20,727	50,828	56,366	53,198	<b>NP-1</b>
<i>*RF: Mineral &amp; Energy Impact</i>	16,050	51,858	59,334	0	
S.B. 06-235 Supplemental Amortization Equalization					
Disbursements	<u>26,972</u>	<u>90,794</u>	<u>156,224</u>	<u>179,817</u>	
General Fund	9,331	30,239	59,237	59,259	<b>NP-1</b>
Cash Funds	3,639	11,663	24,674	25,470	
Reappropriated Funds/Cash Funds Exempt	7,093	25,066	37,084	53,871	<b>NP-1</b>
Federal Funds	6,909	23,826	35,229	41,217	<b>NP-1</b>
<i>*RF: Mineral &amp; Energy Impact</i>	7,093	25,066	37,084	0	
Salary Survey and Senior Executive Service	<u>394,702</u>	<u>458,469</u>	<u>0</u>	<u>0</u>	
General Fund	162,699	161,726	0	0	
Cash Funds	41,173	68,068	0	0	
Reappropriated Funds/Cash Funds Exempt	68,139	94,235	0	0	
Federal Funds	122,691	134,440	0	0	
<i>*RF: Mineral &amp; Energy Impact</i>	65,309	94,235	0	0	



**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>OSPB Request</b>	<b>Requests</b>
Performance-based Pay	<u>181,676</u>	<u>184,590</u>	<u>0</u>	<u>0</u>	
General Fund	89,507	92,714	0	0	
Cash Funds	12,348	18,125	0	0	
Reappropriated Funds/Cash Funds Exempt	30,195	26,488	0	0	
Federal Funds	49,626	47,263	0	0	
<i>*RF: Mineral &amp; Energy Impact</i>	<i>29,146</i>	<i>26,488</i>	<i>0</i>	<i>0</i>	
Workers' Compensation	<u>35,025</u>	<u>34,064</u>	<u>51,330</u>	<u>53,586</u>	
General Fund	32,578	31,674	47,728	49,826	
Cash Funds	1,033	1,073	1,617	1,617	
Reappropriated Funds/Cash Funds Exempt	1,414	1,317	1,985	2,143	
<i>*RF: Mineral &amp; Energy Impact</i>	<i>1,027</i>	<i>1,317</i>	<i>1,985</i>	<i>2,143</i>	
Operating Expenses	<u>154,977</u>	<u>144,625</u>	<u>144,175</u>	<u>144,175</u>	
General Fund	0	34,493	0	0	
Reappropriated Funds/Cash Funds Exempt	130,309	97,525	132,413	132,413	
Federal Funds	24,668	12,607	11,762	11,762	
Legal Services	<u>138,349</u>	<u>74,871</u>	<u>134,930</u>	<u>134,930</u>	
General Fund	116,901	74,740	122,425	122,425	
Cash Funds	3,882	131	6,336	6,336	
Reappropriated Funds/Cash Funds Exempt	1,381	0	1,272	1,272	
Federal Funds	16,185	0	4,897	4,897	
<i>Hours</i>	<i>1,835.4</i>	<i>993.2</i>	<i>1,790.0</i>	<i>1,790.0</i>	
<i>*RF: Mineral &amp; Energy Impact</i>	<i>1,216</i>	<i>0</i>	<i>1,272</i>	<i>1,272</i>	
Purchase of Services from Computer Center - GF	<u>2,420</u>	<u>40,303</u>	<u>40,303</u>	<u>690,704</u>	
General Fund	2,420	40,303	40,303	235,963	<b>NP-1</b>
Reappropriated Funds/Cash Funds Exempt	0	0	0	148,687	<b>NP-1</b>
Federal Funds	0	0	0	306,054	<b>NP-1</b>

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>OSPB Request</b>	<b>Requests</b>
Multi-use Network Payments	<u>65,532</u>	<u>67,409</u>	<u>67,409</u>	<u>122,636</u>	
General Fund	36,782	37,835	37,835	15,456	
Cash Funds	2,657	3,241	3,241	1,324	
Reappropriated Funds/Cash Funds Exempt	5,139	4,777	4,777	1,951	
Federal Funds	20,954	21,556	21,556	103,905	<b>NP-1</b>
<i>*RF: Mineral &amp; Energy Impact</i>	4,634	4,777	4,777	1,951	
Management and Administration of OIT	<u>0</u>	<u>13,682</u>	<u>14,360</u>	<u>73,855</u>	
General Fund	0	5,671	5,291	5,943	
Reappropriated Funds/Cash Funds Exempt	0	0	0	57,726	<b>NP-1</b>
Federal Funds	0	8,011	9,069	10,186	
<i>*RF: Mineral &amp; Energy Impact</i>	0	0	0	57,726	
Payment to Risk Management and Property Funds	<u>36,287</u>	<u>17,928</u>	<u>18,946</u>	<u>6,275</u>	
General Fund	33,766	16,673	17,620	5,836	
Cash Funds	2,322	1,122	1,186	299	
Reappropriated Funds/Cash Funds Exempt	199	133	140	140	
<i>*RF: Mineral &amp; Energy Impact</i>	114	133	140	140	
Vehicle Lease Payments	<u>69,361</u>	<u>89,085</u>	<u>113,634</u>	<u>130,377</u>	
General Fund	61,045	77,430	91,713	100,269	<b>NP-2</b>
Reappropriated Funds/Cash Funds Exempt	8,316	11,655	21,921	30,108	<b>NP-2</b>
Federal Funds	0	0	0	0	
<i>*RF: Mineral &amp; Energy Impact</i>	8,316	11,655	21,921	30,108	
Information Technology Asset Maintenance	<u>134,012</u>	<u>127,913</u>	<u>104,793</u>	<u>104,793</u>	
General Fund	29,913	29,913	29,913	29,913	
Cash Funds	10,364	13,049	13,049	13,049	
Reappropriated Funds/Cash Funds Exempt	40,192	37,507	37,507	37,507	
Federal Funds	53,543	47,444	24,324	24,324	
<i>*RF: Mineral &amp; Energy Impact</i>	37,507	37,507	37,507	37,507	

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 OSPB Request</b>	<b>Change Requests</b>
Leased Space	<u>80,849</u>	<u>79,685</u>	<u>99,561</u>	<u>107,661</u>	
General Fund	16,800	16,692	22,376	22,574	
Reappropriated Funds/Cash Funds Exempt	12,830	11,127	12,626	19,064	<b>DI #1</b>
Federal Funds	51,219	51,866	64,559	66,023	
<i>*RF: Mineral &amp; Energy Impact</i>	<i>12,830</i>	<i>11,127</i>	<i>12,626</i>	<i>19,064</i>	
Capitol Complex Leased Space	<u>475,931</u>	<u>473,484</u>	<u>484,661</u>	<u>470,185</u>	
General Fund	345,070	346,132	354,303	160,064	
Cash Funds	17,309	24,391	24,967	24,279	
Reappropriated Funds/Cash Funds Exempt	61,801	55,408	56,716	236,366	
Federal Funds	51,751	47,553	48,675	49,476	
<i>Square Feet</i>	<i>0.0</i>	<i>0.0</i>	<i>53,770.0</i>	<i>0.0</i>	
<i>*RF: Mineral &amp; Energy Impact</i>	<i>54,644</i>	<i>55,408</i>	<i>56,716</i>	<i>236,366</i>	
Communication Services Payments	<u>21,870</u>	<u>27,788</u>	<u>27,788</u>	<u>26,623</u>	
General Fund	10,935	6,947	6,947	6,364	
Federal Funds	10,935	20,841	20,841	20,259	
Moffat Tunnel Improvement District - CF	13	0	137,444	137,444	
Workforce Development Council - CFE	397,567	Transferred to Department of Labor and Employment pursuant to S.B. 08-231			
FTE	3.8				
Workforce Improvement Grants - FF	2,995,301	Transferred to Department of Labor and Employment pursuant to S.B. 08-231			
FTE	0.6				

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 OSPB Request</b>	<b>Change Requests</b>
					<i>Request v. Approp.</i>
<b>(1) SUBTOTAL - EXECUTIVE DIRECTOR'S OFFICE</b>	<b>7,223,564</b>	<b>4,330,336</b>	<b>4,095,319</b>	<b>4,786,434</b>	<b>16.9%</b>
<b>FTE</b>	<b><u>16.7</u></b>	<b><u>12.7</u></b>	<b><u>13.2</u></b>	<b><u>13.7</u></b>	<b><u>3.8%</u></b>
General Fund	1,395,151	1,675,691	1,473,253	1,118,705	-24.1%
FTE	0.0	0.5	0.0	0.0	0.0%
Cash Funds	182,275	308,767	387,464	411,842	6.3%
Reappropriated Funds/Cash Funds Exempt	2,011,616	1,674,151	1,741,595	2,278,128	30.8%
FTE	16.1	12.2	13.2	13.7	3.8%
Federal Funds	3,634,522	671,727	493,007	977,759	98.3%
FTE	0.6	0.0	0.0	0.0	0.0%
*Mineral & Energy Impact - RF	356,705	495,928	401,576	608,403	

**(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. Cash funds are from the Property Tax Exemption Fund. Significant Reappropriated Funds sources include: the Local Government Severance Tax Fund, the Local Government Mineral Impact Fund, and indirect cost recoveries.

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>OSPB Request</b>	<b>Requests</b>
Division of Property Taxation	2,649,479	2,604,356	2,797,074	2,728,457	
FTE	<u>37.0</u>	<u>36.0</u>	<u>38.5</u>	<u>36.7</u>	
General Fund	1,268,635	1,303,831	1,335,345	1,303,028	<b>NP-1</b>
FTE	15.0	15.7	15.7	14.9	<b>NP-1</b>
Cash Funds	627,077	598,843	692,010	704,767	
FTE	11.1	11.1	11.1	11.1	
Reappropriated Funds/Cash Funds Exempt	753,767	701,682	769,719	720,662	<b>NP-1</b>
FTE	10.9	9.2	11.7	10.7	<b>NP-1</b>
<i>*RF: Mineral &amp; Energy Impact</i>	753,767	701,682	769,719	720,662	
State Board of Equalization - GF	12,856	12,856	12,856	12,856	
Board of Assessment Appeals	638,195	657,059	683,148	564,084	
FTE	<u>14.8</u>	<u>14.8</u>	<u>15.0</u>	<u>13.2</u>	
General Fund	610,660	657,059	304,656	304,656	
FTE	14.8	14.8	7.0	7.0	
Reappropriated Funds/Cash Funds Exempt	27,535	0	378,492	259,428	<b>NP-1</b>
FTE	0.0	0.0	8.0	6.2	<b>NP-1</b>
Indirect Cost Assessment	<u>81,480</u>	<u>66,718</u>	<u>102,526</u>	<u>102,526</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds/Cash Funds Exempt	81,480	66,718	102,526	102,526	
<i>*RF: Mineral &amp; Energy Impact</i>	81,480	66,718	102,526	102,526	

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>OSP Request</b>	<b>Requests</b>
					<i>Request v. Approp.</i>
<b>(2) SUBTOTAL - PROPERTY TAXATION</b>	<b>3,382,010</b>	<b>3,340,989</b>	<b>3,595,604</b>	<b>3,407,923</b>	<b>-5.2%</b>
<b>FTE</b>	<b><u>51.8</u></b>	<b><u>50.8</u></b>	<b><u>53.5</u></b>	<b><u>49.9</u></b>	<b><u>-6.7%</u></b>
General Fund	1,892,151	1,973,746	1,652,857	1,620,540	-2.0%
FTE	29.8	30.5	22.7	21.9	-3.5%
Cash Funds	627,077	598,843	692,010	704,767	1.8%
FTE	11.1	11.1	11.1	11.1	0.0%
Reappropriated Funds/Cash Funds Exempt	862,782	768,400	1,250,737	1,082,616	-13.4%
FTE	10.9	9.2	19.7	16.9	-14.2%
<i>*Mineral &amp; Energy Impact - RF</i>	835,247	768,400	872,245	823,188	-5.6%

**(3) DIVISION OF HOUSING**

This division assists local communities in meeting their housing goals, administers various state and federal affordable housing programs, and regulates the manufacture of factory-built residential and commercial buildings. Cash funds are from certification and registration fees paid by the producers and installers of manufactured homes. Includes funding for foreclosure prevention. Significant Reappropriated Funds sources include: TANF passthrough moneys specifically for homelessness prevention, the Local Government Severance Tax Fund and the Local Tax Fund, and the Local Government Mineral Impact Fund.

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>OSPB Request</b>	<b>Requests</b>
<b>(A) Administration</b>					
Personal Services	1,741,064	1,600,553	1,469,220	1,333,309	
FTE	<u>24.2</u>	<u>22.2</u>	<u>23.3</u>	<u>21.4</u>	
General Fund	313,786	341,403	366,706	373,494	
FTE	4.6	4.6	4.6	4.6	
Cash Funds	77,694	75,915	76,046	77,454	
FTE	0.9	0.9	0.9	0.9	
Reappropriated Funds/Cash Funds Exempt	139,654	144,997	151,010	153,805	
FTE	1.2	1.7	1.7	1.7	
Federal Funds	1,209,930	1,038,238	875,458	728,556	<b>NP-1</b>
FTE	17.5	15.0	16.1	14.2	<b>NP-1</b>
<i>*RF: Mineral &amp; Energy Impact</i>	<i>139,654</i>	<i>144,997</i>	<i>151,010</i>	<i>153,805</i>	
Operating Expenses	<u>258,672</u>	<u>331,089</u>	<u>324,928</u>	<u>324,928</u>	
General Fund	25,903	25,903	25,903	25,903	
Federal Funds	232,769	305,186	299,025	299,025	
Manufactured Buildings Program - CF	1,017,208	844,115	1,199,423	1,199,423	
FTE	9.9	10.8	11.7	11.7	
Colorado Affordable Housing Construction Grants & Loans - GF	1,223,324	2,225,000	2,225,000	2,225,000	
Federal Affordable Housing Construction Grants & Loans - FF	16,057,995	9,655,524	45,290,931	45,000,000	
TANF-Funded Homeless Prevention and Rapid Rehousing Program - RF [NEW]	0	0	0 a/	0	
Emergency Shelter Program - FF	979,637	906,070	923,376	965,000	

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 OSP Request</b>	<b>Change Requests</b>
Private Activity Bond Allocation Committee - CF	2,500	1,460	2,500	2,500	
Low Income Rental Subsidies - FF	18,001,706	18,349,217	17,193,000	18,000,000	
Foreclosure Prevention Grant Fund - GF	0	100,000	0	0	
Foreclosure Prevention Grants - Reappropriated Funds	0	0	100,000	0	
Indirect Cost Assessment	<u>472,174</u>	<u>354,611</u>	<u>430,431</u>	<u>430,431</u>	
Cash Funds	160,786	134,113	218,801	218,801	
Reappropriated Funds/Cash Funds Exempt	31,996	23,542	48,884	48,884	
Federal Funds	279,392	196,956	162,746	162,746	
*RF: Mineral & Energy Impact	31,996	23,542	48,884	48,884	
					<i>Request v. Approp.</i>
<b>(3) SUBTOTAL - DIVISION OF HOUSING</b>	<b>39,754,280</b>	<b>34,367,639</b>	<b>69,158,809</b>	<b>69,480,591</b>	<b>0.5%</b>
<b>FTE</b>	<b><u>34.1</u></b>	<b><u>33.0</u></b>	<b><u>35.0</u></b>	<b><u>33.1</u></b>	<b>-5.4%</b>
General Fund	1,563,013	2,692,306	2,617,609	2,624,397	0.3%
FTE	4.6	4.6	4.6	4.6	0.0%
Cash Funds	1,258,188	1,055,603	1,496,770	1,498,178	0.1%
FTE	10.8	11.7	12.6	12.6	0.0%
Reappropriated Funds/Cash Funds Exempt	171,650	168,539	299,894	202,689	-32.4%
FTE	1.2	1.7	1.7	1.7	0.0%
Federal Funds	36,761,429	30,451,191	64,744,536	65,155,327	0.6%
FTE	17.5	15.0	16.1	14.2	-11.8%
*Mineral & Energy Impact - RF	171,650	168,539	199,894	202,689	1.4%

a/ On September 21, 2009, the JBC approved a request for a \$4,750,000 reappropriated funds for TANF-Funded Homeless Prevention and Rapid Rehousing Program moneys transferred from the Department of Human Services. This has not yet been considered by the General Assembly, and is excluded from the above figures.



**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 OSP Request</b>	<b>Change Requests</b>
<b>(4) DIVISION OF LOCAL GOVERNMENT</b>					
The Division of Local Government provides information and training for local governments in budget development, purchasing, demographics, land use planning, and regulatory issues; manages federal and state funding programs to support infrastructure and local services development; and assists local, state, and private organizations in disaster preparedness, response, recovery, and impact mitigation. Cash funds are predominantly from waste tire recycling fees and the Local Government Severance Tax Fund. Cash funds exempt are from reserves in the Local Government Severance Tax Fund, the Limited Gaming Fund, and the State Lottery Fund.)					
<b>(A) Local Government and Community Services</b>					
<b>(1) Administration</b>					
Personal Services	1,511,429	1,430,470	1,584,117	1,315,813	
FTE	<u>19.0</u>	<u>18.7</u>	<u>20.4</u>	<u>17.7</u>	
General Fund	846,604	851,354	893,182	610,725	<b>NP-1</b>
FTE	10.3	10.3	10.3	9.0	<b>NP-1</b>
Reappropriated Funds/Cash Funds Exempt	481,668	470,718	503,910	572,973	<b>NP-1</b>
FTE	6.4	7.0	7.0	6.1	<b>NP-1</b>
Federal Funds	183,157	108,398	187,025	132,115	<b>NP-1</b>
FTE	2.3	1.4	3.1	2.6	<b>NP-1</b>
<i>*RF: Mineral &amp; Energy Impact</i>	<i>481,668</i>	<i>470,718</i>	<i>503,910</i>	<i>572,973</i>	
Operating Expenses	<u>93,818</u>	<u>94,010</u>	<u>131,351</u>	<u>131,351</u>	
General Fund	42,178	42,178	42,178	42,178	
Reappropriated Funds/Cash Funds Exempt	25,146	25,146	25,146	25,146	
Federal Funds	26,494	26,686	64,027	64,027	
<i>*RF: Mineral &amp; Energy Impact</i>	<i>25,146</i>	<i>25,146</i>	<i>25,146</i>	<i>25,146</i>	
<b>(2) Local Government Services</b>					
Local Utility Management Assistance - CF	146,517	151,817	157,705	157,705	
FTE	2.0	2.0	2.0	2.0	

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 OSPB Request</b>	<b>Change Requests</b>
Conservation Trust Fund Disbursements - CF	48,617,599	47,790,781	48,000,000	51,400,000	
FTE	1.9	1.9	2.0	2.0	
Volunteer Firefighter Retirement Plans - GF	4,025,790	4,009,590	4,111,912	4,114,363	
†GF: General Fund Exempt Account	3,736,480	4,009,590	0	0	
Volunteer Firefighter Death and Disability Insurance - GF	30,000	25,500	30,000	30,000	
†GF: General Fund Exempt Account	30,000	25,500	0	0	
Environmental Protection Agency Water/Sewer File Project - FF	45,747	50,000	50,000	50,000	
FTE	0.5	0.4	0.5	0.5	
Federal Disability Program Navigator - FF	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
United Health Rural Health Care Grants - CF	475,434	<i>Administration of this program transferred to the Colorado Rural Health Center</i>			
<b>(3) Community Services</b>					
Community Services Block Grant - FF	4,995,123	5,886,541	5,500,000	6,000,000	
<b>(4) Waste Tire Fund</b>					
Waste Tire Recycling, Reuse and Removal Grants	3,226,344	4,919,602	4,200,000	4,200,000	
FTE	<u>0.5</u>	<u>0.4</u>	<u>0.7</u>	<u>0.7</u>	
Cash Funds	3,226,344	3,382,634	4,200,000	4,200,000	
FTE	0.5	0.4	0.7	0.7	
Reappropriated Funds/Cash Funds Exempt	0	1,536,968	0	0	

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 OSP B Request</b>	<b>Change Requests</b>
					<i>Request v. Approp.</i>
<b>Subtotal: (A) Local Government and Community</b>					
<b>Services</b>	63,167,801	64,358,311	63,765,085	67,399,232	5.7%
FTE	<u>23.9</u>	<u>23.4</u>	<u>25.6</u>	<u>22.9</u>	-10.5%
General Fund	4,944,572	4,928,622	5,077,272	4,797,266	-5.5%
FTE	10.3	10.3	10.3	9.0	-12.6%
Cash Funds	52,465,894	51,325,232	52,357,705	55,757,705	6.5%
FTE	4.4	4.3	4.7	4.7	0.0%
Reappropriated Funds/Cash Funds Exempt	506,814	2,032,832	529,056	598,119	13.1%
FTE	6.4	7.0	7.0	6.1	-12.9%
Federal Funds	5,250,521	6,071,625	5,801,052	6,246,142	7.7%
FTE	2.8	1.8	3.6	3.1	-13.9%
†General Fund Exempt Account	3,766,480	4,035,090	0	0	0.0%
*RF: Mineral & Energy Impact	506,814	495,864	529,056	598,119	13.1%
<b>(B) Field Services</b>					
Program Costs	2,017,002	2,510,639	2,405,692	2,396,772	
FTE	<u>20.6</u>	<u>25.9</u>	<u>28.5</u>	<u>27.9</u>	
General Fund	475,404	461,436	493,011	0	<b>DI #2</b>
FTE	5.2	4.9	4.9	0.0	
Cash Funds	0	97,308	105,315	107,264	
FTE	0.0	1.0	1.0	1.0	
Reappropriated Funds/Cash Funds Exempt	1,251,182	1,348,240	1,463,136	1,988,638	<b>DI #2</b>
FTE	12.8	15.3	17.7	22.6	
Federal Funds	290,416	603,655	344,230	300,870	<b>NP-1</b>
FTE	2.6	4.7	4.9	4.3	<b>NP-1</b>
*RF: Mineral & Energy Impact	1,101,662	1,348,240	1,463,136	1,988,638	

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 OSP Request</b>	<b>Change Requests</b>
Community Development Block Grant (Business and Infrastructure Development) - FF	8,019,941	12,412,618	7,049,019	9,697,000	
Local Government Mineral and Energy Impact Grants and Disbursements	<u>140,619,011</u>	<u>211,857,880</u>	<u>192,000,000</u>	<u>124,000,000</u>	
Cash Funds	23,100,000	125,900,000	192,000,000	124,000,000	
Reappropriated Funds/Cash Funds Exempt	117,519,011	85,957,880	0	0	
<i>For Information Only, Non-add</i>					
<i>State Severance Tax</i>	<i>97,357,729</i>	<i>119,099,971</i>	<i>119,000,000</i>	<i>70,000,000</i>	
<i>Federal Mineral Lease</i>	<i>43,261,282</i>	<i>92,757,909</i>	<i>73,000,000</i>	<i>54,000,000</i>	
Local Government Limited Gaming Impact Grants -	5,342,950	5,855,103	6,308,674	5,700,000	
Search and Rescue Program	447,908	423,683	615,000	615,000	
FTE	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	
Cash Funds	447,908	423,683	615,000	615,000	
FTE	1.3	1.3	1.3	1.3	
Reappropriated Funds/Cash Funds Exempt	0	0	0	0	
Colorado Heritage Communities Grant Fund - GF	200,000	62,000	0	0	
Colorado Heritage Communities Grants - Reappropriated Funds/Cash Funds Exempt	200,000	200,000	200,000	200,000	

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>OSPB Request</b>	<b>Requests</b>
					<i>Request v. Approp.</i>
<b>Subtotal: (B) Field Services</b>	156,846,812	233,321,923	208,578,385	142,608,772	-31.6%
FTE	<u>21.9</u>	<u>27.2</u>	<u>29.8</u>	<u>29.2</u>	<u>-2.0%</u>
General Fund	675,404	523,436	493,011	0	-100.0%
FTE	5.2	4.9	4.9	0.0	-100.0%
Cash Funds	28,890,858	132,276,094	199,028,989	130,422,264	-34.5%
FTE	1.3	2.3	2.3	2.3	0.0%
Reappropriated Funds/Cash Funds Exempt	118,970,193	87,506,120	1,663,136	2,188,638	31.6%
FTE	12.8	15.3	17.7	22.6	27.7%
Federal Funds	8,310,357	13,016,273	7,393,249	9,997,870	35.2%
FTE	2.6	4.7	4.9	4.3	-12.2%
<i>*RF: Mineral &amp; Energy Impact</i>	<i>1,101,662</i>	<i>1,348,240</i>	<i>1,485,518</i>	<i>1,988,638</i>	<i>33.9%</i>
<b>(C) Indirect Cost Assessment</b>	<u>727,821</u>	<u>690,293</u>	<u>850,154</u>	<u>1,031,316</u>	
Cash Funds	67,201	125,645	171,115	171,115	
Reappropriated Funds/Cash Funds Exempt	490,482	432,143	545,510	726,672	
Federal Funds	170,138	132,505	133,529	133,529	
<i>*RF: Mineral &amp; Energy Impact</i>	<i>473,126</i>	<i>432,143</i>	<i>545,510</i>	<i>726,672</i>	

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 OSP B Request</b>	<b>Change Requests</b>
					<i>Request v. Approp.</i>
<b>(4) SUBTOTAL - DIVISION OF LOCAL GOVERNMENT</b>	<b>220,742,434</b>	<b>298,370,527</b>	<b>273,193,624</b>	<b>211,039,320</b>	<b>-22.8%</b>
<b>FTE</b>	<b><u>45.8</u></b>	<b><u>50.6</u></b>	<b><u>55.4</u></b>	<b><u>52.1</u></b>	<b><u>-6.0%</u></b>
General Fund	5,619,976	5,452,058	5,570,283	4,797,266	-13.9%
FTE	15.5	15.2	15.2	9.0	-40.8%
Cash Funds	81,423,953	183,726,971	251,557,809	186,351,084	-25.9%
FTE	5.7	6.6	7.0	7.0	0.0%
Reappropriated Funds/Cash Funds Exempt	119,967,489	89,971,095	2,737,702	3,513,429	28.3%
FTE	19.2	22.3	24.7	28.7	16.2%
Federal Funds	13,731,016	19,220,403	13,327,830	16,377,541	22.9%
FTE	5.4	6.5	8.5	7.4	-12.9%
‡General Fund Exempt Account	3,766,480	4,035,090	0	0	0.0%
*RF: Mineral & Energy Impact	2,081,602	2,276,247	2,560,084	3,313,429	29.4%

**(5) Division of Emergency Management**

This division assists local, state, and private organizations in disaster preparedness, response, recovery, and impact mitigation. The Division is responsible for preparing and maintaining a state disaster plan, as well as taking part in the development and revision of local and inter-jurisdictional disaster plans. Cash funds are nearly entirely from the Disaster Emergency Fund, with a small amount received from fees paid for emergency training programs. Reappropriated funds are from severance tax revenues and federal mineral lease revenues transferred from the Division of Local Government. Federal funds are from grant moneys received from the Department of Homeland Security for emergency preparedness, chemical stockpile readiness, and other programs.

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>OSPB Request</b>	<b>Requests</b>
Administration	2,902,538	2,637,283	2,775,712	2,644,331	
FTE	<u>27.8</u>	<u>23.6</u>	<u>29.4</u>	<u>27.9</u>	
General Fund	489,472	501,027	575,611	582,653	
FTE	7.2	7.2	8.1	8.2	
Reappropriated Funds	64,890	63,302	65,065	66,269	
FTE	0.3	0.1	1.0	1.0	
Federal Funds	2,348,176	2,072,954	2,135,036	1,995,409	<b>NP-1</b>
FTE	20.3	16.3	20.3	18.7	<b>NP-1</b>
<i>*RF: Mineral &amp; Energy Impact</i>	<i>64,890</i>	<i>63,302</i>	<i>65,065</i>	<i>66,269</i>	
Disaster Response and Recovery	<u>1,101,763</u>	<u>537,905</u>	<u>4,950,000</u>	<u>4,950,000</u>	
Cash Funds	1,101,763	448,750	4,500,000	4,500,000	
Federal Funds	0	89,155	450,000	450,000	
Preparedness Grants and Training	<u>35,122,115</u>	<u>13,242,730</u>	<u>12,010,988</u>	<u>12,010,988</u>	
Cash Funds	0	0	10,988	10,988	
Federal Funds	35,122,115	13,242,730	12,000,000	12,000,000	
Indirect Cost Assessment	<u>397,633</u>	<u>192,931</u>	<u>237,478</u>	<u>237,478</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	6,421	13,383	13,383	
Federal Funds	397,633	186,510	224,095	224,095	
<i>*RF: Mineral &amp; Energy Impact</i>	<i>0</i>	<i>6,421</i>	<i>13,383</i>	<i>13,383</i>	

**Fiscal Year 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>OSPB Request</b>	<b>Requests</b>
					<i>Request v. Approp.</i>
<b>(5) SUBTOTAL - DIVISION OF EMERGENCY MANAGEMENT</b>	<b>39,524,049</b>	<b>16,610,849</b>	<b>19,974,178</b>	<b>19,842,797</b>	<b>-0.7%</b>
<b>FTE</b>	<b><u>27.8</u></b>	<b><u>23.6</u></b>	<b><u>29.4</u></b>	<b><u>27.9</u></b>	<b><u>-5.1%</u></b>
General Fund	489,472	501,027	575,611	582,653	1.2%
FTE	7.2	7.2	8.1	8.2	1.2%
Cash Funds	1,101,763	448,750	4,510,988	4,510,988	0.0%
Reappropriated Funds/Cash Funds Exempt	64,890	69,723	78,448	79,652	1.5%
FTE	0.3	0.1	1.0	1.0	0.0%
Federal Funds	37,867,924	15,591,349	14,809,131	14,669,504	-0.9%
FTE	20.3	16.3	20.3	18.7	-7.9%
<i>*RF: Mineral &amp; Energy Impact</i>	<i>64,890</i>	<i>69,723</i>	<i>79,652</i>	<i>79,652</i>	<i>0.0%</i>
					<i>Request v. Approp.</i>
<b>TOTAL: DEPARTMENT OF LOCAL AFFAIRS</b>	<b>310,626,337</b>	<b>357,020,340</b>	<b>370,017,534</b>	<b>308,557,065</b>	<b>-16.6%</b>
<b>FTE</b>	<b><u>176.2</u></b>	<b><u>170.7</u></b>	<b><u>186.5</u></b>	<b><u>176.7</u></b>	<b><u>-5.3%</u></b>
General Fund	10,959,763	12,294,828	11,889,613	10,743,561	-9.6%
FTE	57.1	58.0	50.6	43.7	-13.6%
Cash Funds	84,593,256	186,138,934	258,645,041	193,476,859	-25.2%
FTE	27.6	29.4	30.7	30.7	0.0%
Reappropriated Funds/Cash Funds Exempt	123,078,427	92,651,908	6,108,376	7,156,514	17.2%
FTE	47.7	45.5	60.3	62.0	2.8%
Federal Funds	91,994,891	65,934,670	93,374,504	97,180,131	4.1%
FTE	43.8	37.8	44.9	40.3	-10.2%
†GF: General Fund Exempt Account					0.0%
<i>*RF: Mineral &amp; Energy Impact</i>	<i>3,510,094</i>	<i>3,778,837</i>	<i>4,113,451</i>	<i>5,027,361</i>	



**FY 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX B: SUMMARY OF MAJOR LEGISLATION**

- ❑ **S.B. 09-208 (Tapia/Pommer): Augment FY 2008-09 General Fund Revenues.** Augments General Fund revenues for FY 2008-09 with \$224.0 million in transfers from various cash funds, including \$950,000 from the Local Government Limited Gaming Impact Fund.
  
- ❑ **S.B. 09-232 (Schwartz/McFadyen): State Financial Assistance for Local Government Construction.** Transfers \$17.0 million from the Local Government Permanent Fund to the Local Government Mineral Impact Fund. Requires the entire transfer to be distributed by the Executive Director of the Department in accordance with purposes and priorities described in law, giving priority to the communities most directly and substantially impacted by production of energy resources on federal mineral lands.
  
- ❑ **S.B. 09-279 (Tapia/Pommer): Cash Fund Transfers to Augment the General Fund.** Augments General Fund revenues for FY 2008-09 and FY 2009-10 with transfers from various cash funds, including the following transfers from funds in this Department. Please reference the following table which exhibits impacted cash funds.

Cash Fund Transfers in S.B. 09-279		
Cash Funds	FY 2008-09	FY 2009-10
Local Government Mineral Impact Fund	\$1,000,000	\$22,600,000
Local Government Severance Tax Fund	7,500,000	
Home Investment Trust Fund	1,284,000	
Building Regulation Fund	1,101,349	
Waste Tire Cleanup Fund	500,000	
Waste Tire Recycling Development Cash Fund	150,000	
Moffat Tunnel Cash Fund	86,758	
<b>Total</b>	<b>\$11,622,107</b>	<b>\$22,600,000</b>

This bill also provided the Governor, by executive order, authority to transfer moneys from certain cash funds to the General Fund in the event that the June 2009 revenue forecast prepared by Legislative Council Staff indicated that there will be insufficient General Fund revenue to fund all FY 2008-09 General Fund appropriations. The June 2009 revenue forecast projected that such a General Fund shortfall would exist, as a result of this forecast, the Governor ordered the transfer of \$458,057,698 from these cash funds to the General Fund, pursuant to Executive Order D 013 09. Of this transferred amount, the following amounts were transferred from Department cash funds. Effective July 1, 2009, these cash

fund transfers were reversed.

Department Cash Fund Transfers pursuant to Executive Order D 013 09	
Cash Fund	Amount
Local Government Severance Tax Fund	\$109,633,992
Local Government Mineral Impact Fund	14,248,358
<b>Total</b>	<b>\$123,882,350</b>

- ❑ **S.B. 08-218 (Schwartz and Penry/Buescher and Balmer): Allocation of Federal Mineral Lease Revenues.** Increases the amount of federal mineral lease (FML) revenues allocated by the Department of Local Affairs (DOLA) to local governments through direct distribution and decreases the amount allocated through grants, resulting in a net increase in the total amount allocated by DOLA. Creates the Local Government Permanent Fund, consisting of 50 percent of FML revenues attributable to bonus payments. Allows the General Assembly to appropriate moneys from this new fund to DOLA under certain circumstances to prevent a decrease in the amount of formula-based direct distributions to counties and municipalities. Increases the cash funds appropriation from the Local Government Mineral Impact Fund to DOLA for FY 2008-09 for local government grants and disbursements by \$6,900,000 to reflect the anticipated impact of the new FML allocation formula. Appropriated \$16,292 reappropriated funds (which originate from the Local Government Mineral Impact Fund) and 0.3 FTE to DOLA for FY 2008-09 for establishing guidelines concerning the factors and weights to be used for direct distribution of FML revenues at the sub-county level.
- ❑ **S.B. 08-231 (Veiga/Vaad): Transfer of the Workforce Development Council.** Transfers the state Work Force Development Council from the Department of Local Affairs to the Department of Labor and Employment. Transferred the following FY 2008-09 appropriations from the Department of Local Affairs to the Department of Labor and Employment: \$466,016 reappropriated funds (federal funds transferred from various state agencies) and 4.0 FTE for the Work Force Development Council; and \$870,000 and 1.0 FTE (including \$850,000 federal funds and \$20,000 cash funds from donations) for Work Force Improvement Grants.

**FY 2010-11 Joint Budget Committee Staff Budget Briefing  
Department of Local Affairs**

**APPENDIX C: UPDATE OF FY 2009-10  
LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION**

**Long Bill Footnotes**

None.

**Requests for Information**

- 1     **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2009, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that are applied for or received during FY 2009-10, and that are not otherwise included in the Long Bill.

Comment: Prior to FY 2008-09, this request for information has historically been submitted in the annual appropriations bill as a footnote and was repeatedly lined through by the Governor. However, the May 21, 2009 letter from the Governor to the JBC included the following in response to this request for information, "Due to the substantial resources and other department priorities, I am directing the departments to comply to the extent to which this information can be provided without adversely impacting the operation of the executive branch or the delivery of government services, by November 2, 2009." To date the Joint Budget Committee has not received a report pursuant to this request for information.

- 4     **Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Local Affairs, Division of Emergency Management, Disaster Response and Recovery** -- The Division of Emergency Management is requested to work with the Office of State Planning and Budgeting and provide a an annual report to the Joint Budget Committee by November 1, 2009, November 1 of each year concerning revenues credited to and expenditures made from the Disaster Emergency Fund in FY 2008-09. Fund during the prior fiscal year. The report is requested to include the following: (a) amounts authorized to be transferred to the Disaster Emergency Fund, by Executive Order and fund source; (b) amounts actually transferred to the Fund, by date and fund source; and © actual expenditures from the Fund, by date and declared disaster emergency.

Comment: The Office of the Governor furnished a report in response to this request for information dated November 6, 2009. As is shown in the following table, in FY 2008-09, there were four declared emergencies where \$3.7 million was authorized for transfer into the Disaster Emergency Fund by executive order however, to date \$600,000, or 16.2 percent of the total authorized amount has been expended as of the date of this briefing. The balance

of the Disaster Emergency fund is \$5,086,501 (as of December 8, 2009).

Authorized Transfers to the Disaster Emergency Fund in FY 2008-09					
Executive Order	Nature of Disaster	Authorized Transfer	Total Expenses	Balance	Funding Source
D 016 08 (7/30/08)	Housetop Fire in Mesa County	\$250,000	\$0	\$250,000	Major Medical Insurance Fund
D 003 09 (1/16/09)	Wildfire Preparedness Plan	3,250,000	600,000	2,650,000	Wildfire Preparedness Fund carryover
D 005 09 (3/26/09)	Severe Statewide Blizzard	200,000	0	200,000	Disaster Emergency Fund
D 009 09 (4/21/09)	Severe Spring Snowstorm (Front Range, I-70 between Vail and Golden)	15,000	0	15,000	Disaster Emergency Fund
<b>Total</b>		<b>\$3,715,000</b>	<b>\$600,000</b>	<b>\$3,115,000</b>	

**Appendix D**  
**September 2009 Legislative Council Staff Economic and Revenue Forecast**  
**Severance Tax Revenue Forecast by Source**  
(Accrual Basis, Thousands of Dollars)

	<u>Actual</u> <u>FY 04-05</u>	<u>Actual</u> <u>FY 05-06</u>	<u>Actual</u> <u>FY 06-07</u>	<u>Actual</u> <u>FY 07-08</u>	<u>Preliminary</u> <u>FY '08-09</u>	<u>Forecast</u> <u>FY '09-10</u>	<u>Forecast</u> <u>FY '10-11</u>	<u>Forecast</u> <u>FY '11-12</u>
<b>Oil and Gas</b>	<b>\$132,319</b>	<b>\$211,249</b>	<b>\$116,585</b>	<b>\$139,915</b>	<b>\$307,008</b>	<b>\$29,688</b>	<b>\$122,656</b>	<b>\$153,605</b>
% change	19.9%	59.7%	-44.8%	20.0%	119.4%	-90.3%	313.2%	25.2%
 <b>Coal</b>	 <b>\$10,249</b>	 <b>\$8,591</b>	 <b>\$8,831</b>	 <b>\$8,551</b>	 <b>\$10,709</b>	 <b>\$9,820</b>	 <b>\$9,898</b>	 <b>\$10,180</b>
% change	27.9%	-16.2%	2.8%	-3.2%	25.2%	-8.3%	0.8%	2.8%
 <b>Molybdenum and Metallics</b>	 <b>\$815</b>	 <b>\$1,494</b>	 <b>\$1,901</b>	 <b>\$3,283</b>	 <b>\$1,341</b>	 <b>\$1,515</b>	 <b>\$1,462</b>	 <b>\$1,331</b>
% change	12.7%	83.4%	27.2%	72.7%	-59.2%	13.0%	-3.5%	-9.0%
 <b>Total Severance Tax Revenue</b>	 <b>\$143,383</b>	 <b>\$221,334</b>	 <b>\$127,328</b>	 <b>\$151,750</b>	 <b>\$319,109</b>	 <b>\$41,023</b>	 <b>\$134,017</b>	 <b>\$165,117</b>
% change	20.4%	54.4%	-42.5%	19.2%	110.3%	-87.1%	226.7%	23.2%
 <b>Interest Earnings</b>	 <b>\$8,581</b>	 <b>\$12,923</b>	 <b>\$17,747</b>	 <b>\$18,289</b>	 <b>\$17,743</b>	 <b>\$13,874</b>	 <b>\$13,361</b>	 <b>\$16,187</b>
% change	44.7%	50.6%	37.3%	3.1%	-3.0%	-21.8%	-3.7%	21.2%
 <b>Total Severance Tax Fund Revenue</b>	 <b>\$151,964</b>	 <b>\$234,258</b>	 <b>\$145,086</b>	 <b>\$170,055</b>	 <b>\$336,852</b>	 <b>\$54,897</b>	 <b>\$147,378</b>	 <b>\$181,304</b>
% change	21.5%	54.2%	-38.1%	17.2%	98.1%	-83.7%	168.5%	23.0%
<hr/>								
Local Government Severance Tax Fund	75,982	117,129	72,543	85,028	\$168,426	\$27,448	\$73,689	\$90,652
Annual Change	13,454	41,147	(44,586)	12,485	83,398	(140,978)	46,241	16,963
Direct Distribution (30%)					50,528	8,234	22,107	27,196
Grants and Loans (70%)					117,898	19,214	51,582	63,456

**Appendix E**  
**September 2009 Legislative Council Staff Economic and Revenue Forecast**  
**Federal Mineral Lease Revenue and Distribution**

*Estimates in millions*

Row	September 2009 LCS Forecast				Notes
	FY 08-09	FY 09-10	FY 10-11	FY 11-12	
1 <b>Total FML Revenue</b>	<b>\$227.3</b>	<b>\$90.6</b>	<b>\$111.7</b>	<b>\$129.5</b>	FML moneys are received quarterly
2 <i>Annual Variance</i>	\$73.7	(\$136.7)	\$21.1	\$17.8	
3 <i>Annual Variance%</i>	<u>48.0%</u>	<u>(60.2%)</u>	<u>23.3%</u>	<u>15.9%</u>	
4 Bonus	61.9	4.5	5.6	12.9	Fixed/Up-front Payments
5 Non-Bonus	165.4	86.0	106.1	116.5	Rents, Royalties, Earnings
6					
7 <b>Bonus Payments</b>	<b><u>61.9</u></b>	<b><u>4.5</u></b>	<b><u>5.6</u></b>	<b><u>12.9</u></b>	State Share of Fixed/Up-front Payments
8 Local Government Permanent Fund	30.9	2.3	2.8	6.5	50% of Bonus Payments
9 Higher Ed Maintenance & Reserve Fund	30.9	2.3	2.8	6.5	50% of Bonus Payments
10					
11 <b>Non-Bonus Payments LESS Spill-over Funds</b>	<b><u>148.0</u></b>	<b><u>86.0</u></b>	<b><u>106.1</u></b>	<b><u>116.5</u></b>	State Share of Rents, Royalties, Earnings
12 State Public School Fund	65.0	41.6	51.3	56.3	48.3% of Non-Bonus Payments (cap: \$65M)^
13 Colorado Water Conservation Board	14.0	8.6	10.6	11.7	10% of Non-Bonus Payments (cap: \$14M)*
14 DOLA for Grants	33.1	17.2	21.2	23.3	20% of Non-Bonus Payments
15 DOLA for Direct Distribution to Counties/Municipalities	33.1	17.2	21.2	23.3	20% of Non-Bonus Payments
16 DOLA for School Districts	2.8	1.5	1.8	2.0	1.7% of Non-Bonus Payments (cap: \$3.3M)*
17					
18 <b>Non-Bonus Payments Spillover</b>	<b><u>17.4</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	Moneys above the statutory caps
19 Spillover to Higher Ed FML Revenue Fund	17.4	0.0	0.0	0.0	Source of revenue is from Non-Bonus spillover
20 Spillover to Higher Ed Maintenance & Reserve Fund	0.0	0.0	0.0	0.0	Source of revenue is from Bonus payments (above) and Non-Bonus spillover above the FML Revenue cap of \$50M.

\* caps may inflate by 4% annually beginning in FY 2009-10

^ cap may inflate by 4% annually beginning in FY 2011-12

**Appendix F**  
**Estimated Gaming Fund Dollars and Distribution FY2006 through FY2011**

**Assumptions:**

Pre-Amendment 50 revenues grow at a rate of 3% beginning with FY2010

Revenue projections are based upon a 10.0% total increase in tax revenues in FY2010, 5.0% increase in FY2011, and 2.5% increase thereafter

Where inflation adjustments are required for GF transfers, a 3% rate of inflation is used.

Counties' estimated respective share of revenues is: Gilpin 80% Teller 20% (See note below)

The cities' estimated respective share of revenues is estimated at: Black Hawk 70% Central City 10% Cripple Creek 20% (See note below)

Doesn't include any possible appropriations for CDOT beginning FY2010

		FY2006	FY2007	FY2008	FY2009	FY2010 Projected		FY2011 Projected	
	Percent	Actual	Actual	Actual	Actual				
Pre-Amendment 50 Gaming Tax Revenues		106,142,555	112,005,553	108,185,631	94,906,581	97,753,778	93.6%	100,686,392	91.9%
Post-Amendment 50 Gaming Tax Revenues						6,643,461	6.4%	8,930,709	8.1%
<b>Total Limited Gaming Fund</b> (net of accrual of 2 mo. op exp as req'd by Statute)		100,147,465	106,356,714	100,591,698	85,281,086	94,897,239		100,117,101	
						Existing Recipients	Amend50 Recipients	Existing Recipients	Amend50 Recipients
Pre-Amendment 50 revenues						97,753,778		100,686,392	
Amendment 50 revenues							6,643,461		8,930,709
Growth (\$) in Amend50 tax revenues over prior year							6,643,461		2,287,249
Growth (%) in Amend50 tax revenues over prior year							100.0%		25.6%
Percent of Amend50 tax revenues to existing recipients (less of 6% or actual % growth in Amendment 50 revenues over prior year)						6.0%		6.0%	
Available for distribution to existing recipients						89,479,659		92,761,369	
Available for distribution to Amend50 recipients							5,417,580		7,335,733
State Historical Society	28%	28,041,290	29,779,880	28,165,675	23,878,704	25,054,304		25,978,783	
Community Colleges	78%						4,225,713		5,721,871
<u>Counties</u>	12%								
Gilpin County		9,616,921	10,317,452	9,773,892	8,186,984	8,590,047	520,088	8,907,011	704,230
Teller County		2,400,775	2,445,354	2,297,112	2,046,746	2,147,512	130,022	2,226,753	176,058
<u>Cities</u>	10%								
Black Hawk		7,110,170	7,530,055	7,172,188	5,969,676	6,263,576	379,231	6,494,696	513,501
Central City		903,931	1,067,821	972,722	852,811	894,797	54,176	927,814	73,357
Cripple Creek		2,000,646	2,037,795	1,914,260	1,705,622	1,789,593	108,352	1,855,627	146,715
<u>General Fund Transfer</u>	50%	50,073,732	53,178,357	50,295,849	42,640,543	44,739,829		46,390,684	
Local Government Impact Fund	13%	6,509,585	6,913,186	6,538,460	5,543,271	5,816,178		6,030,789	
Colorado Tourism Promotion Fund (1)		19,000,000	19,676,799	20,107,662	15,578,699	20,710,892		21,332,219	
New Jobs Incentives Fund (2)		3,000,000	3,106,863	3,174,894	1,400,052	3,270,141		3,368,245	
State Council on the Arts Fund (3)		1,500,000	1,553,432	1,587,447	1,200,026	1,635,070		1,684,123	
Film Incentives Fund (4)		500,000	621,373	634,979	180,011	963,028		1,300,919	
Colorado Office of Economic Dev(7)		0	0	0	300,000	0		0	
Bioscience Discovery Eval. Fund (5)(8)		2,000,000	2,500,000	0	4,500,000	5,500,000		5,500,000	
Innovative Higher Education Research Fund		0	0	0	1,000,000	1,000,000		1,000,000	
CDOT		0	5,259,411	14,292,757	10,127,274	0		0	
Clean Energy Fund (6)		0	7,000,000	3,959,649	0	6,844,520		7,174,390	
General Fund		17,564,147	6,547,294	0	2,811,210	0		0	

(1) Per HB 06-1201

(2) Per HB 06-1201

(3) Per HB 06-1201

(4) Per HB 06-1201

(5) Per HB06-1360 and HB07-1060

(6) Per SB 07-246

(7) Per HB08-1415

(8) Per HB08-1001

Note for cities and counties: distributions of pre-Amend50 revenue dollars is based on proportionate share of AGP generated; distributions of Amend50 dollars is based upon proportionate share of gaming taxes paid.



# Colorado Waste Tire Program

