



Department of Local Affairs

Line Item Descriptions

FY 12-13 Budget Request

NOVEMBER 1, 2011

TABLE OF CONTENTS

(1) Executive Director’s Office

Personal Services3
Health Life and Dental.....3
Short-term Disability3
Salary Survey3
Amortization Equalization Distribution (AED).....3
Supplemental Amortization Equalization Distribution.....3
Workers' Compensation3
Operating Expenses3
Legal Services.....3
Purchase of Services from Computer Center.....4
Payment of Risk Management and Property Funds.....4
Multi-use Network Payments4
Vehicle Lease Payments4
Information Technology Asset Maintenance.....4
Leased Space.....4
Capitol Complex Leased Space4
Communication Services Payments.....4
Moffat Tunnel Improvement District.....4

(2) Property Taxation

Division of Property Taxation5
State Board of Equalization5
Board of Assessment Appeals5
Indirect cost assessment.....5

(3) Division of Housing

Personal Services6
Operating Expenses6
Manufactured buildings program.....6
Colorado Affordable Housing Construction Grants and Loans.....7
Federal Affordable Housing Construction Grants and Loans.....7

Line Item Descriptions FY 12-13 BUDGET REQUEST

Emergency shelter program7
 Private Activity Bond allocation committee.....8
 Low income rental subsidies.....8
 Indirect cost assessment.....8

(4) Division of Local Government

(A) (1) Administration

Personal services8
 Operating expenses8

(A) (2) Local Government Services

Local Utility Management Assistance8
 Conservation Trust Fund disbursements.....9
 Volunteer Firefighter Retirement Plans9
 Volunteer Firefighter death and disability insurance.....9
 Environmental Protection Agency – water/sewer file project9

(A) (3) Community Services

Community Services Block Grant10

(B) Field Services

Program costs.....10
 Community Development Block Grant10
 Local government mineral and energy impact grants and distributions.....10
 Local government limited gaming impact grants10
 Search and Rescue Program.....11
 Colorado heritage communities grants11

(C) Indirect Cost Assessments.....11

(5) Division of Emergency Management

Administration11
 Disaster response and recovery.....11
 Preparedness grants and training12
 Indirect cost recoveries12

Line Item Descriptions FY 12-13 BUDGET REQUEST

(1) Executive Director's Office

PERSONAL SERVICES

This line item is for the base salaries, PERA and Medicare expenses for the Executive Director's Office. In FY 11-12, the office received 0.5 FTE and increased spending authority of \$28,840 due to HB 11-1230.

HEALTH, LIFE AND DENTAL

The line item is appropriated at the department level for the department's Health, Life and Dental costs.

SHORT-TERM DISABILITY

These are POTTED funds for the department's short term disability costs.

SALARY SURVEY AND SENIOR EXECUTIVE SERVICE

This line item is POTTED funds for the department's salary survey and SES costs.

AMORTIZATION EQUALIZATION DISTRIBUTION (AED)

This line item is for the department's AED costs. These costs increase incrementally per 24-51-422 C.R.S. (2008).

SUPPLEMENTAL AMORTIZATION EQUALIZATION DISTRIBUTION

This line item is for the department's SAED costs. These costs increase incrementally per 24-51-422 C.R.S. (2008).

WORKERS' COMPENSATION

This item provides funding for payments made by the department to the Department of Personnel and Administration to support the State's self-insured workers' compensation program.

OPERATING EXPENSES

This line funds Department-wide and Executive Director's Office expenses such as department-wide software maintenance agreements, office supplies, in-state travel, and fleet fuel costs. In FY 11-12, the office received increased spending authority of \$475 due to HB 11-1230.

LEGAL SERVICES

This category represents the cost of purchasing legal services from the Department of Law. Currently, the department has 1,790 hours appropriated for these services.

Line Item Descriptions FY 12-13 BUDGET REQUEST

PURCHASE OF SERVICES FROM COMPUTER CENTER

This item provides funding for payments to the Governor's OIT for its support of the State's Data Center.

PAYMENT OF RISK MANAGEMENT AND PROPERTY FUNDS

The State's Risk Management process consists of two programs: the Liability Program and the Property Program. This line item pays for premiums related to these insurance coverage's, broker services, third party administration fees, legal services related to these programs, and deductibles.

MULTI-USE NETWORK PAYMENTS

This line item provides high-speed broadband access to the department.

VEHICLE LEASE PAYMENTS

This line item includes the costs agencies experience from vehicle lease-purchase loan payments, plus a management fee collected by the Department of Personnel and Administration.

INFORMATION TECHNOLOGY ASSET MAINTENANCE

This line item is used to fund personal computer replacement and software maintenance in accordance with the department's IT plans.

LEASED SPACE

This line funds office space strategically located throughout the state for the department's field staff.

CAPITOL COMPLEX LEASED SPACE

This item provides funding for payments to the Department of Personnel and Administration for its management of leased space within the Capitol Hill Campus, Camp George West, and the Grand Junction State Building.

COMMUNICATION SERVICES PAYMENTS

In FY 2003-04, the JBC established the Communications Services common policy. The appropriation for this line item is used for payments to support the statewide secure Digital Trunked Radio system.

MOFFAT TUNNEL IMPROVEMENT DISTRICT

The Moffat Tunnel Improvement District was formed by state statute in 1922 to finance the construction of a railroad tunnel under the Continental Divide. To remove an unnecessary layer of government, the legislature passed SB 96 -233 in 1996, which set in motion an

Line Item Descriptions FY 12-13 BUDGET REQUEST

effort to sell the assets of the District, dissolve the elected commission which had managed the District since 1922, and, if any District assets could not be sold by 1998, transfer control of the District to the Department of Local Affairs. In the event, not all District assets were sold and control of the District was transferred to the Department of Local Affairs in February, 1998. The District remains as a separate legal special district entity under 32-8-101 C.R.S. (2011), and has two occupancy leases: one with the Union Pacific Railroad, and another with Qwest telecommunications. This line funds costs to manage the Moffat Tunnel Improvement District and to distribute funds available to statutorily mandated counties. Funding is received from long-term occupancy leases.

(2) Property Taxation

DIVISION OF PROPERTY TAXATION

This line item funds the program costs for the division. Under the general laws of Colorado, county assessors are required to value all taxable property within their territorial jurisdictions. The Division of Property Taxation provides training, regulation, coordination, and administers the implementation of property tax law throughout the sixty-four counties within the state.

STATE BOARD OF EQUALIZATION

The State Board of Equalization has supervision over the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes. This line funds operating expenses for the Board.

BOARD OF ASSEEMMENT APPEALS

This line supports the program costs for the Board of Assessment Appeals (BAA). The BAA is composed of seven members appointed by the Governor and confirmed by the Senate, who meet to hear appeals by property taxpayers of decisions of county boards of equalization, county boards of commissioners and the state property tax administrator on valuation of real and personal property, abatement of taxes, exemption or state assessed properties.

INDIRECT COST ASSESSMENT

The rate is applied to cash, re-appropriated, and federal funds according to the indirect rate cost recovery plan approved by the department's cognizant agency.

(3) Division of Housing

PERSONAL SERVICES

This line item is for the base salaries, PERA and Medicare expenses for the division. In FY 11-12, the office received 19.0 FTE and increased spending authority of \$1,216,716 due to HB 11-1230.

OPERATING EXPENSES

This line funds operating expenses for the division such as in-state travel, office supplies, and postage.

MANUFACTURED BUILDINGS PROGRAM

In 2003, Senate Bill 03-182 consolidated the programs of the Colorado Division of Housing (CDOH), Housing Technology & Standards (Codes) Section and established the Building Regulation Cash Fund with the intent of having the Colorado State Housing Board establish fees to pay for all direct and indirect costs. During the 2006 legislative session, HB 06 – 1085 increased the appropriation by \$311,302 and 1.1 FTE by expanding the purposes for which moneys in the Building Regulation Cash Fund may be expended accordingly:

- to provide education and training to the mobile, manufactured and factory-built structures industry regarding the building codes and state program requirements applicable to these types of structures within the state;
- to provide consumer training throughout the state to help consumers make informed decisions when purchasing or considering the purchase of a mobile, manufactured or factory built home; and
- To provide education and grants to help manufacturers, installers, owners and other members of the mobile, manufactured or factory-built structures industry address safety issues affecting these types of existing residential structures.

During the 2008 legislative session, HB 08 - 1319 passed concerning factory-built structures, and, in connection therewith, requiring every factory-built structure occupied after a specified date to be certified by the division of housing, specifying educational, testing, and liability insurance coverage requirements for manufactured home, mobile home, and factory built residential structure installers and installation inspectors, and making an appropriation of an additional \$113,632 cash funds and 1.7 FTE. For FY 11-12, the department submitted a base reduction request of 10% of spending authority. The Joint Budget Committee increased the spending authority reduction beyond the department and JBC staff request to further reduce spending authority by an additional 31%. This reduction resulted in a 41% reduction for the program.

COLORADO AFFORDABLE HOUSING CONSTRUCTION GRANTS AND LOANS

The department has statutory authority to operate Colorado Affordable Housing Construction Grants and Loans Program through 24-32-705 1 (a) CRS (2011) and has the following functions, “to encourage private enterprise and all public and private agencies engaged in planning, construction, and acquisition of adequate housing or the rehabilitation of existing housing in Colorado...” The State Housing Board advises the department on housing needs, reviews financing requests, and adopts manufactured housing regulations. Colorado Affordable Housing Construction Grants and Loans Program have received varying amounts of State General Funds over the years for affordable housing projects. The Colorado State Legislature during the 2008 legislative session increased this appropriation to the Division of Housing which added \$1.0 million in General Fund for affordable housing. The Colorado State Legislature during the 2011 legislative session decreased this appropriation to the Division of Housing by \$225,000 in General Fund for affordable housing. The below chart illustrates Colorado Affordable Housing Construction Grants and Loans Program funding over the last five years.

<u>Fiscal Year</u>	<u>Amount</u>
2004 -2005	\$100,000
2005 - 2006	\$100,000
2006 - 2007	\$1,100,000
2007 - 2008	\$1,239,000
2008 - 2009	\$2,225,000
2009 – 2010	\$2,225,000
2010 – 2011	\$2,225,000
2011 – 2012	\$2,000,000

FEDERAL AFFORDABLE HOUSING CONSTRUCTION GRANTS AND LOANS

This line item funds federal grants and loans that are provided to local governments or non-profits for either the construction of new housing and/or rehabilitation of existing housing. The housing must be owned or occupied by persons with moderate to low income. Local housing authorities, private developers, nonprofit corporations, cities and counties may apply for financing. Most grants require a contribution from the community served.

EMERGENCY SHELTER PROGRAM

This is a federal HUD program that supports funding for homeless prevention activities, including the operation of shelters and assistance to families who have received eviction notices or notices of termination of utility services. The request does not include entitlement moneys that are granted on a formula basis directly to the cities of Denver and Colorado Springs.

Line Item Descriptions FY 12-13 BUDGET REQUEST

PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE

Federal law limits the total amount of tax-exempt private activity bonds which may be issued by any state and its political subdivisions. A state is allowed to allocate its capped amount among the issuing authorities of the state. This line item provides statutory funding to reimburse expenses associated with the Bond Allocations Committee, which consists of the Executive Director of the Department of Local Affairs, four municipal and county officials, three citizens at large, and one representative of state issuing authorities.

LOW INCOME RENTAL SUBSIDIES

This line funds the federal Section 8 vouchers to assist low income families to obtain affordable rental housing. In FY 11-12, the office received increased spending authority of \$18,884,430 due to HB 11-1230.

INDIRECT COST ASSESSMENT

The rate is applied to cash, re-appropriated, and federal funds according to the indirect rate cost recovery plan approved by the department's cognizant agency.

(4) Division of Local Government

(A) (1) Administration

PERSONAL SERVICES

This line funds base salaries, PERA and Medicare expenses for staff that provides technical assistance to local government's, administers the local government budget and property tax 5.5% limits, demography and cartography services.

OPERATING EXPENSES

This line funds operating expenses for the division such as in-state travel, office supplies, and postage.

(A) (2) Local Government Services

LOCAL UTILITY MANAGEMENT ASSISTANCE

This program works with the local governments, the Colorado Water and Power Development Authority and the Colorado Department of Public Health and Environment to review water and waste water plant needs in local areas, provide analysis of the financial capacity of local government's applying for loans for water or wastewater treatment needs and assisting in developing financing options. This line funds staff personal services and operating expenditures for this program.

Line Item Descriptions FY 12-13 BUDGET REQUEST

CONSERVATION TRUST FUND DISBURSEMENTS

These funds are distributed after payment of administrative expenses pursuant to a statutory formula to disburse all funds deposited in the Conservation Trust Fund to eligible local entities. These funds fluctuate with lottery revenue.

VOLUNTEER FIREFIGHTER RETIREMENT PLANS

This line funds the state contribution for volunteer firefighters from the fire and police pension association. These amounts are not subject to the six percent limit on General Fund appropriations. Entities eligible to receive the state contribution to volunteer pension funds are:

- municipalities with a population under 100,000 that maintain a regularly organized volunteer fire department and that offer fire protection services
- fire protection districts having volunteers and offering fire protection services
- county improvement districts having volunteer fire department members and offering fire protection services
- counties contributing to a volunteer pension fund at one of the above

The eligible entities must have:

- active, pension-eligible volunteer firefighters
- Contributed tax revenue to the pension fund in the year previous to the year in which the distribution is made.

VOLUNTEER FIREFIGHTER DEATH AND DISABILITY INSURANCE

This line item funds the statewide volunteer firefighter accidental death and disability insurance policy. The state has contracted with VFIS of Colorado to provide Accidental Death, Dismemberment and Disability Insurance for Colorado volunteer firefighters. Under this policy, all volunteer firefighters in the state of Colorado are covered for any on-duty activities, including travel to and from any event.

ENVIRONMENTAL PROTECTION AGENCY – WATER/SEWER FILE PROJECT

Department staff assists communities in addressing determine eligibility and credit worthiness of local governments for EPA water and sewer loans.

(A) (3) Community Services

COMMUNITY SERVICES BLOCK GRANT

These federal funds go to local government programs that provide services to persons at or below 125% federal poverty guidelines. The majority of the funding is distributed on an allocation formula using poverty census data.

(B) Field Services

PROGRAM COSTS

Provides field staff in local regions to deal with local government issues, rural development, Smart Growth, administration of Energy and Mineral Impact Program, Limited Gaming and Community Development Block Grants. The Department submitted a budget amendment in January 2008 requesting a total of \$270,006 and 5.0 FTE to improve monitoring and payment processing within the energy and mineral impact program. The JBC approved this budget amendment for FY 08-09.

COMMUNITY DEVELOPMENT BLOCK GRANT

Provide federal funding grants which benefit at least a 51% low income population for community infrastructure, housing and economic development projects. While the Department of Local Affairs administers the funds for smaller communities, metro areas receive their funding directly from the federal government on an entitlement basis.

LOCAL GOVERNMENT MINERAL AND ENERGY IMPACT GRANTS AND DISTRIBUTIONS

The purpose of the Energy and Mineral Impact Assistance Program is to assist political subdivisions that are socially and/or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels. Funds come from the state severance tax on energy and mineral production and from a portion of the state's share of royalties paid to the federal government for mining and drilling of minerals and mineral fuels on federally-owned land. Modifications in 2008 to the program include categorizing grants into [Tier I](#), [Tier II](#) and [Tier III](#) and clarifying evaluation criteria, including match requirements. SB08-218, adopted during the 2008 legislative session, provides an additional \$6,916,292 and 0.3 FTE to the Division of Local Government. This legislative bill made significant changes to the method and process for the distribution of Federal Mineral Lease receipts to local governments. The first payments under this new annual distribution method were made in August of 2009. From FY 2008-09 through FY 2011-12, \$237.4 million has been transferred from the cash funds that support the impact grants, Local Government Severance Tax Fund (\$168.8 million) and the Local Government Mineral Impact Fund (\$68.6 million), to the General Fund to balance a multi-year statewide budget deficit.

LOCAL GOVERNMENT LIMITED GAMING IMPACT GRANTS

This line provides financial assistance to local governments in addressing documented gaming impacts stemming from limited stakes gaming in the communities of Cripple Creek, Black Hawk and Central City. Limited stakes gaming has been in existence in these communities since voter approval in 1990. The Program is financed with a portion of state taxes on limited gaming activities in these municipalities and is subjected to the fluctuations of tax revenue collections. The JBC modified the Limited Gaming Tax Revenue Distributions to Statutory Programs in FY 2010-11 (for appropriation in FY 2011-12). The committee took \$19.2 M to the General Fund, then reallocated the percent distribution and finally all revenue above \$48.5 M back to the General Fund essentially capping DOLA's local government limited gaming grant program.

SEARCH AND RESCUE PROGRAM

Provide funding to local search and rescue agencies as reimbursement for searches and rescues of persons and for grants to local search and rescue agencies for necessary equipment. The cash funded portion of the program is financed by a statutory \$0.25 surcharge on hunting and fishing licenses, boat registrations, snowmobile registrations, and off-highway vehicle registrations. The program also receives funding from other outdoor recreational users, such as hikers, mountain bikers, cross country skiers, climbers, and kayakers who voluntarily purchase a \$3.00 Colorado Outdoor Recreation Search and Rescue Card.

COLORADO HERITAGE COMMUNITIES GRANTS

This line provides financial assistance to local governments in the areas of land use planning and growth management.

(C) Indirect Cost Assessments

The rate is applied to cash, re-appropriated, and federal funds according to the indirect rate cost recovery plan approved by the department's cognizant agency.

(5) Division of Emergency Management

ADMINISTRATION

This line funds both personal services and operating expenses for divisional staff to provide technical assistance activities and services that cover the four phases of emergency management: Preparedness, Prevention, Response, and Recovery for disasters like flooding, tornadoes, wildfire, and hazardous materials incidents.

DISASTER RESPONSE AND RECOVERY

The division maintains the State's Emergency Operations Center (SEOC) where representatives from other state departments and agencies come together to coordinate the state response to an emergency situation. This fund is maintained in the Governor's Office

Line Item Descriptions FY 12-13 BUDGET REQUEST

and does not receive an annual appropriation by the General Assembly. The fund can only be accessed through Executive Order. If available, the Governor can designate in an executive order any appropriation made by the General Assembly to help pay the costs of the disaster. During an actual emergency or disaster, the division coordinates the state response and recovery program in support of local governments and monitor's expenses from this fund.

PREPAREDNESS GRANTS AND TRAINING

This line has federal grant funding to assist local governments in sustaining and enhancing all-hazards emergency management capabilities. Emergency management must be able to coordinate in the context of natural and man-made hazards, as well as technological events, that threaten the safety and well-being of citizens. An all-hazards approach to preparedness, including the development of a comprehensive program of planning, training, and exercises, sets the stage for an effective and consistent response to any threatened or actual disaster or emergency, regardless of the cause.

This line also funds the Chemical Stockpile Emergency Preparedness Program (CSEPP). CSEPP is a readiness program to enhance emergency preparedness of the communities around the eight stockpile sites. The program's goal is to improve emergency preparedness, response, and recovery activities. Currently, the United States safely stores chemical agents at eight sites across the country. These sites are located in Alabama, Arkansas, Colorado, Indiana, Kentucky, Maryland, Oregon, and Utah. Approximately 8.5% of the nation's stockpile is stored at the U.S. Army Pueblo Chemical Depot (PCD) located east of Pueblo.

INDIRECT COST RECOVERIES

The rate is applied to cash, re-appropriated, and federal funds according to the indirect rate cost recovery plan approved by the department's cognizant agency.