



COLORADO

Department of Local Affairs

Line Item Descriptions

FY 2015-16 Budget Request

NOVEMBER 1, 2014

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(1) Executive Director's Office

PERSONAL SERVICES

This line item has existed since the inception of the Executive Director's Office. This line item is for the base salaries, PERA and Medicare expenses for the Executive Director's Office. This line is supported by reappropriated funds derived from departmental indirect costs and supports 14.2 FTE.

HEALTH, LIFE AND DENTAL

This line item appropriation addresses the State's employer contribution for the health, life and dental insurance benefits for the Department's employees. The calculated annual appropriation is based upon recommendations contained in the annual Total Compensation Report, and associated guidance from OSPB. The appropriation is calculated based upon employee benefits enrollment selections. This appropriation is supported by the General Fund, various Cash Funds, Reappropriated Funds and Federal Funds. The line item is appropriated at the department level for the department's Health, Life and Dental costs.

SHORT-TERM DISABILITY

The line item appropriation is for the purpose of providing partial payment of an employee's salary in the event that individual becomes disabled and cannot perform his or her work duties. This benefit is calculated on an annual basis in accordance with OSPB Common Policy Instructions. This appropriation is supported by the General Fund, various Cash Funds, Reappropriated Funds and Federal Funds. These are POTTED funds for the department's short term disability costs that are appropriated at the department level.

AMORTIZATION EQUALIZATION DISTRIBUTION (AED)

This line item is for the department's AED costs. This line was first created in SB 04-257 in which Amortization Equalization Disbursement was formed. The AED increases the employer contribution to the PERA Trust Fund to amortize the unfunded liability in the Trust Fund beginning in January 2006. The request for this line is computed in accordance with OSPB Common Policy Instructions and is calculated using the sum of base salaries, salary survey and range adjustments for employees eligible for State retirement benefits. This appropriation is supported by the General Fund, These costs increase incrementally per 24-51-422 C.R.S. (2014).

SUPPLEMENTAL AMORTIZATION EQUALIZATION DISTRIBUTION

This line was first created in SB 06-235, in which the Supplemental Amortization Equalization Disbursement (SAED) was formed. The rate increases by 0.5 percent each calendar year through 2013. The legislation specifically indicated that the incremental increase shall be reduced from funding that would otherwise be allocated to Salary Survey. This appropriation is supported by the General

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Fund, various Cash Funds, Reappropriated Funds and Federal Funds, per Long Bill annotation. This line item is for the department's SAED costs. These costs increase incrementally per 24-51-422 C.R.S. (2014).

SALARY SURVEY

The line was split from Shift Differential and included only Salary Survey and Senior Executive Service in the FY 2000-01 Long Bill and was changed again in the FY 2013-14 Long Bill to Salary Survey. The Salary Survey appropriation reflects the amounts necessary for the Department to cover the cost of salary increases based on the Total Compensation Survey performed annually by the Department. The annual request for this line item is calculated based upon the annual Total Compensation recommendations from the State Personnel Director, along with guidance provided via the OSPB Common Policy Instructions. Occasionally, funding for this line item is not appropriated due to statewide revenue limits. This appropriation has historically been supported by the General Fund, various Cash Funds, Reappropriated Funds and Federal Funds, per Long Bill annotation. The line item is appropriated at the department level for the department's salary increases.

MERIT PAY

This line item replaced the Anniversary Increases budget line item in the FY 2002-03 Long Bill. In FY 2003-04, no funding was appropriated due to statewide budget constraints. However, performance-based pay was implemented for FY 2004-05 and the Department was allocated funds for that fiscal year. In FY 2005-06, the Joint Budget Committee adopted a Common Policy of no performance-based pay awards for that fiscal year. For FY 2006-07, again no appropriation was made for Performance-based pay awards per JBC action. For FY 2007-08, the Department of Personnel and Administration introduced a new methodology for awarding salary increases called Achievement Pay. This new methodology had two components: base and non-base building. Base Achievement Pay consisted of market salary increases by occupational group, adjusted for the Supplemental Amortization Equalization Disbursement (SAED), and a single uniform statewide increase of 1.00 percent to recognize performance. Permanent state personnel system employees received base-building salary increases, except those rated at "Needs improvement." Achievement Pay also included a non-base building payment of 2.0 percent to those rated at Level 4 "Outstanding." Performance-based pay represents the annual amount appropriated for periodic salary increases for State employees based on demonstrated and documented ability of each employee to satisfy standards related to quantity and quality of work. Funding was again included for this line item in the FY 2013-14 Long Bill. Occasionally, funding for this line item is not appropriated due to statewide revenue limits. This appropriation has historically been supported by the General Fund, various Cash Funds, Reappropriated Funds and Federal Funds, per Long Bill annotation. The line item is appropriated at the department level for the department's employees who performed their work meritoriously.

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WORKERS' COMPENSATION

This line item is an operating Common Policy allocation that provides funding for payments made to the Department of Personnel and Administration to support the State's self-insured Workers' Compensation program. This appropriation is supported by the General Fund, various Cash Funds, Reappropriated Funds and Federal Funds, per Long Bill annotation.

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 parking and fuel costs. Allowable operating expenditures are defined in the Long Bill headnotes, and actual expenditures are identified by object code in the Schedule 3. This appropriation is supported by Reappropriated Funds and Federal Funds per Long Bill annotation.

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. This line item appears in most departments' Executive Director's Offices, with some exceptions. Funding is appropriated so each department can purchase necessary legal services from the Department of Law. The rate provides for the purchase of services from both attorneys and paralegals. This appropriation is supported by the General Fund, various Cash Funds, Reappropriated Funds and Federal Funds, per Long Bill annotation.

PAYMENTS TO OIT

This common policy line was introduced in the FY 2014-15 Long Bill as a result of the General Assembly's approval to house billings for Office of Information Technology (OIT) services in one line item rather than the Department's five previously utilized line items in conjunction with the approved restructuring of OIT's Long Bill. OIT provides services to State agencies on a cost reimbursement basis. This line item represents the Department's allocation for its share of utilization of the State's Data Center, high-speed broadband access, Colorado State Network, and cyber security awareness, monitoring and defense, OIT initiatives, and OIT staff.

PAYMENT OF RISK MANAGEMENT AND PROPERTY FUNDS

This line item is an operating Common Policy allocation that represents each department's share of the statewide cost of property and liability insurance coverage. 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. This appropriation is supported by the General Fund, various Cash Funds, and Reappropriated Funds, per Long Bill annotation.

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. This Common Policy based line item represents the amounts necessary for State agencies to make vehicle lease payments to the State Fleet Management Program that are sufficient to recover the annual costs of program administration and lease purchase installment payments. This appropriation is supported by General Fund and Reappropriated Funds, per Long Bill annotation.

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. This appropriation is supported by General Fund, various Cash Funds, Reappropriated Funds and Federal Funds, per Long Bill annotation.

LEASED SPACE

The line item is necessary to pay for the Department's obligations for leases of private office space and other facilities that are not State-owned. This line funds office space strategically located throughout the state for the department's field staff. This appropriation is supported by General Fund and Reappropriated Funds, per Long Bill annotation.

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, and the Grand Junction State Building. This Common Policy based line item represents allocations and subsequent billings to departments occupying space in the Capitol Complex (including Fort Lyon), and the Grand Junction State Services Building. The annual allocation to the Department based upon total recoverable program costs and overhead associated with the maintenance and property management functions provided by the Division of Central Services, Facilities Maintenance on behalf of State agency tenants in the Capitol Complex, and Grand Junction. This appropriation is supported by General Fund, various Cash Funds, Reappropriated Funds and Federal Funds, per Long Bill annotation.

COFRS MODIFICATION

This Common Policy based line item represents each participating department's share of the overhead related to the modernization of the statewide accounting system, COFRS. The cost allocation methodology, based on the Department's fund splits, ensures that billings for the fiscal year are sufficient to fund personal services, operating expenses, indirect costs, and other overhead associated with the modernization of COFRS for the benefit of State agencies. The appropriation was established to support the upgrade/replacement of the state financial and budget system with CORE.

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 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. (2014), and has two occupancy leases: one with the Union Pacific Railroad, and another with CenturyLink telecommunications. This line funds costs to manage the Moffat Tunnel Improvement District and to distribute funds available to statutorily mandated counties. Cash 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. This appropriation supports 36.7 FTE and program operations from General Fund, the Property Tax Exemption Fund, and Reappropriated Funds from the Local Government Mineral and Energy Impact Grants and Disbursements line item, which includes moneys in the Local Government Severance Tax fund created in Section 39-29-110(1) (a) (1), C.R.S., and moneys in the Local Government Mineral Impact fund created in Section 34-63-102(5) (a) (I), C.R.S.

STATE BOARD OF EQUALIZATION

This appropriation supports the 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 and is supported by General Funds.

BOARD OF ASSESSMENT APPEALS

This appropriation supports the program costs for the Board of Assessment Appeals (BAA). The BAA is currently composed of nine board members 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 and staff. In order to improve accessibility to the appeals process for non-metro Denver counties, the BAA offers hearings by video conference and occasionally schedules hearings in Grand Junction and Alamosa as funding permits. The appropriation is supported by General Fund, the Board of Assessment Appeals Cash Fund created in Section 39-2-125(i) (h), C.R.S. Since FY 2013-14, the program has been supported by the Board of Assessment Appeals Cash Fund per SB 13-146. Through the Decision Item process, the Cash Fund Appropriation established by SB 13-146 was adjusted from \$150,000 to align Cash Fund Spending Authority with actual and expected cash revenues. For FY 2014-15, the Cash Fund spending authority was set at \$77,064 to reflect the lower revenues expected from a non- assessment year while General Fund was increased by the complementary amount of \$72,936 to \$446,862. The Cash Fund and General Fund Splits have been adjusted to reflect the assessment year for FY 2015-16. The total appropriation for the Board of Assessment Appeals Program line is supported by General Fund, the Board of Assessment Appeals Cash Fund, and Reappropriated Funds from departmental indirect cost recoveries or the Indirect Costs Excess Recovery Fund created in Section 24-75-1401.

INDIRECT COST ASSESSMENT

The rate is applied to two Cash Funds: 1) Property Tax Exemption Fund created in Section 39-2-117(8), C.R.S; and, 2) up to \$18,000 from the Board of Assessment Appeals Cash Fund. Indirect Cost rates are also applied to re-appropriated amounts from the Division of Property Taxation Program line which utilize funds from the Local Government Mineral and Energy Impact Grants and Disbursements line item, which includes moneys in the Local Government Severance Tax fund created in Section 39-29-110(1)(a)(1), C.R.S., and moneys in the Local Government Mineral Impact fund created in Section 34-63-102(5)(a)(I), C.R.S. according to the indirect rate cost recovery plan approved by the department's cognizant agency.

(3) Division of Housing (DOH Long Bill Restructured as part of HB 14-1336)

(A)(1) Administration

PERSONAL SERVICES

This line item is for the base salaries associated with 25.6 FTE and their related PERA and Medicare expenses for the Administration of the division. This appropriation is supported by General Fund, two Cash Fund- \$12,500 from the Homeless Prevention Activities Program Fund created in Section 39-22-1302 (I), C.R.S., and \$2,876 from the Private Activity Bond Allocations Fund created in Section 24-32-1709.5(2)(a), C.R.S., Reappropriated Funds which utilize funds from the Local Government Mineral and Energy Impact Grants and Disbursements line item, which includes moneys in the Local Government Severance Tax fund created in Section 39-29-110(1)(a)(1), C.R.S., and moneys in the Local Government Mineral Impact fund created in Section 34-63-102(5)(a)(I), C.R.S. and the administrative portion related to specific Federal Funded programs.

OPERATING EXPENSES

This line funds the administrative operating expenses for the division such as in-state travel, office supplies, and postage. This appropriation is supported by General Funds, one Cash Fund- \$2,500 from the Homeless Prevention Activities Program Fund created in Section 39-22-1302(I), C.R.S., and administrative operating portion related to specific Federal Funded programs.

(A)(2) COMMUNITY SERVICES

LOW INCOME RENTAL SUBSIDIES

This line funds the federal Section 8 vouchers to assist low income families to obtain affordable rental housing units for workforce needs and lower income families. The amount also incents developers to utilize unused Public Activity Bond moneys that are currently reverting to the federal government. This line also supports General Fund appropriations of \$1,360,813 which is a combined amount for behavioral health vouchers for participants in Assertive Community Treatment (ACT program), Adult Resources for Care and Help (ARCH) vouchers, and Colorado Choice Transitions (CCT) program vouchers.

HOMELESS PREVENTION PROGRAMS

This line includes the Homeless Prevention Activities Program grants of \$110,000 created in Section 39-22-1302(1) C.R.S. 2014 and the 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.

FT. LYON SUPPORTIVE HOUSING PROGRAM

This program was created by SB 13-210 as part of the appropriations CONCERNING EMPLOYMENT CONDITIONS FOR CORRECTIONAL OFFICERS when Fort Lyon transitioned from a closed prison to treat and house homeless individuals for alcoholism and drug dependency. The appropriation supports \$3,223,851 in General Fund to assist in the treatment and housing of homeless veterans and other individuals as the program increases from 200 residents to 300 residents by the end of FY 2014-15. This request also provides for the utilities, repair and maintenance of the residential campus.

(B) FIELD SERVICES

AFFORDABLE HOUSING PROGRAM COSTS

This line supports the Home Modification Program, the Housing Technology and Standards Section (Manufactured Housing Program), the Program Activity Bond Program and related FTE throughout the State, as well as a portion of the Federal Home grant and certain discretionary payments of rents to owners that are supported by federal funds.

The Home Modification Program administers the home modification benefit by overseeing construction duties, bid review and the management of assets for Medicaid eligible clients. The home modification benefit has a lifetime maximum of \$10,000 and costs are estimated at \$65 per modification inspection.

The Housing Technology and Standards Section provides:

- 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;
- 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
- 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.

The Private Activity Bond Program allocates its capped bond amounts among the issuing authorities of the state. Along with program staffing and operating, this line item provides statutory funding to reimburse expenses associated with the Bond Allocations

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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.

The appropriation is supported by General Fund, two Cash Funds- Building Regulation Fund created in Section 24-32-3309 (1)(a), C.R.S. for the Housing Technology and Standards Section program, and the Private Activity Bond Allocations Fund created in Section 24-32-1709.5(2)(a), C.R.S. Reappropriated Funds are from the Department of Health Care Policy and Financing, EDO, Transfers to Other Departments, Home Modifications Benefit Administration line item for the Home Modification Benefit program and moneys from the Local Government Mineral and Energy Impact Grants and Disbursements line item, which includes moneys in the Local Government Severance Tax Fund created in Section 39-29-110 (i)(a)(I), C.R.S., and the moneys in the Local Government Mineral Impact Fund created in Section 34-63-102(5)(a)(I), C.R.S.

AFFORDABLE HOUSING GRANTS AND LOANS

This line item supports State General Fund Housing Development Grants and 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.

The department has statutory authority to operate Colorado Affordable Housing Construction Grants and Loans Program through 24-32-705 1 (a) CRS (2014) 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 2012 legislative session increased this appropriation to the Division of Housing by \$200,000 in General Fund for affordable housing as part of the long bill process. The legislature also increased this appropriation by an additional \$109,000 as part of HB 12-158. Also, as part of the long bill process, the appropriation was increased by \$2,000,000 in SB 13-239 and by \$4,000,000 in HB 14-1336. The chart below illustrates the General Funded portion of the Affordable Housing Grants and Loans Program funding over the last eleven fiscal years.

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<u>FY</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
2012-2013	\$2,309,000
2013-2014	\$4,200,000
2014-2015	\$8,200,000

(C) INDIRECT COST ASSESSMENT

The rate is applied to various 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 17.7 FTE staff who provide technical and financial assistance to local governments, administer the local government budget, special district elections, and property tax "5.5% Limit" compliance programs, and demography services. The line also includes SB 14-172 amounts for the administration of a self- insured pool for Firefighter Heart Circulatory Malfunction Benefits. The bill provides for additional 0.6 FTE in FY 2014-15 that is reduced to 0.5 FTE in FY 2015-16. The appropriation is supported by General Funds, Administrative Federal Funds, and Reappropriated funds from: departmental indirect cost recoveries, Indirect Costs Excess Recovery funds from Section 24-75-1401(2), C.R.S. and the Local Government Mineral and Energy Impact Grants and Disbursements line item, which includes moneys in the Local Government Severance Tax Fund created in Section 39-29-110 (i)(a)(I), C.R.S., and the moneys in the Local Government Mineral Impact Fund created in Section 34-63-102(5)(a)(I), C.R.S.

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OPERATING EXPENSES

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

The line also includes SB 14-172 amounts for the administration of a self-insured pool for Firefighter Heart Circulatory Malfunction Benefits. The bill provides associated program moneys and \$850,350 in Accident Insurance Reimbursement moneys for FY 2014-15 and associated program moneys and \$939,053 in Accident Insurance Reimbursement moneys for FY 2015-16. These reimbursements to municipalities, special districts, fire authorities, or county improvement districts are estimated to be \$150 per firefighter per year.

The appropriation is supported by General Funds, Administrative Federal Funds, and Reappropriated funds from: departmental indirect cost recoveries, Indirect Costs Excess Recovery funds from Section 24-75-1401(2), C.R.S. and the Local Government Mineral and Energy Impact Grants and Disbursements line item, which includes moneys in the Local Government Severance Tax Fund created in Section 39-29-110 (i)(a)(I), C.R.S., and the moneys in the Local Government Mineral Impact Fund created in Section 34-63-102(5)(a)(I), C.R.S.

(A) (2) Local Government Services

LOCAL UTILITY MANAGEMENT ASSISTANCE

This program works with local governments, the Colorado Water Resources and Power Development Authority and the Colorado Department of Public Health and Environment to review water and wastewater system needs in local areas, provide analysis of the financial capacity of local governments applying for EPA supported state revolving fund loans for water or wastewater treatment needs and assisting in developing project financing options. This line funds 2.0 FTE staff personal services and operating expenditures for this program. The Cash Funds appropriation is supported by the Water Pollution Control Revolving Fund created in Section 37-95-107.6, pursuant to Section 37-95-107.6(3)(b), C.R.S.

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 over 400 eligible local entities. These funds fluctuate with lottery revenue. This amount shall be from the net lottery proceeds transferred to the Conservation Trust fund created in Section 29-21-101(2)(a)(I), C.R.S., pursuant to Section 3(1)(b)(I) of Article XXVII of the State Constitution. The amount is for informational purposes, as net lottery proceeds are continuously appropriated. Further, pursuant to Section 24-77-102(17)(b)(IX), C.R.S., net lottery proceeds are not subject to the limitation on state fiscal year spending set forth in Article X, Section 20, of the State Constitution.

VOLUNTEER FIREFIGHTER RETIREMENT PLANS

This line funds the state contribution for eligible local governments with volunteer firefighter pension funds. These amounts are not subject to the six percent limit on General Fund appropriations and are distributed via statutory formula-based state contribution. These amounts shall be from the General Fund Exempt Account created in Section 24-77-103.6(2), C.R.S. Pursuant to Section 31-30-1112(2)(i), C.R.S., these amounts are included for informational purposes to comply with the limitation on state fiscal year spending imposed by Article X, Section 20, of the State Constitution and Section 24-77-103, C.R.S. Further, these amounts are transferred from the proceeds of insurance premium taxes pursuant to Sections 31-30-1112(2)(g) and (h), C.R.S., and shall be deemed not to be an appropriation subject to the limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S.

VOLUNTEER FIREFIGHTER DEATH AND DISABILITY INSURANCE

This line item funds the statewide volunteer firefighter accidental death and disability insurance policy. The division works with DPA's Division of Risk Management to contract for 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. These amounts shall be from the General Fund Exempt Account created in Section 24-77-103.6(2), C.R.S. Pursuant to Section 31-30-1112(2)(i), C.R.S., these amounts are included for informational purposes to comply with the limitation on state fiscal year spending imposed by Article X, Section 20, of the State Constitution and Section 24-77-103, C.R.S. Further, these amounts are transferred from the proceeds of insurance premium taxes pursuant to Sections 31-30-1112(2)(g) and (h), C.R.S., and shall be deemed not to be an appropriation subject to the limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S.

ENVIRONMENTAL PROTECTION AGENCY – WATER/SEWER FILE PROJECT

Department staff determines eligibility and credit worthiness of local governments for EPA water and sewer loans through CWRPDA.

(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 27.9 FTE expert field staff and their related operating expenses in local regions to provide in-depth technical assistance on all statewide local government issues, community development, rural community development, Main Street, Land Use & Strategic planning, REDI, administration of grant programs including Energy and Mineral Impact Program, Limited Gaming, Search and Rescue, Geothermal, Heritage Planning and Community Development Block Grants. Support for this appropriation includes the Cash Funds from the Local Government Limited Gaming Impact Fund created in Section 12-47.1-1601 (I)(a), C.R.S., and Reappropriated Funds from the Local Government Mineral and Energy Impact Grants and Disbursements line item, which includes moneys in the Local Government Severance Tax Fund created in Section 39-29-110 (i)(a)(I), C.R.S., and the moneys in the Local Government Mineral Impact Fund created in Section 34-63-102(5)(a)(I), C.R.S., and related Federal Funds.

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 rural communities, metro areas receive their funding directly from the federal government on an entitlement basis.

LOCAL GOVERNMENT ENERGY AND MINERAL 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. Funds are distributed through this program through statutory formulaic distributions and competitive grant programs. In FY13-14, over \$45 M was distributed through formulaic distributions and \$66M in competitive grant awards and for FY 14-15, it is anticipated that over \$71 M will be distributed through formulaic distributions and \$125 M will be awarded through competitive grants to local governments. For every dollar awarded through competitive grants, it is estimated that 9 jobs are created. Between FY 13-14 and FY 14-15, it is anticipated that competitive grant awards will create 1,700 jobs in Colorado. In addition, DLG is administering \$60 M in statewide grant initiatives for Broadband planning, CNG – Alternative Fuels, Fiscal Health and Flood Recovery in partnership with other state departments and agencies. and Reappropriated Funds from the Local Government Mineral and Energy Impact Grants and Disbursements line item, which includes moneys in the Local Government Severance Tax Fund created in Section 39-29-110 (i)(a)(I), C.R.S., and the moneys in the Local Government Mineral Impact Fund created in Section 34-63-102(5)(a)(I), C.R.S.

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 counties of Gilpin and Teller and on Indian lands. 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. The Legislature modified the Limited Gaming Tax Revenue Distribution to the Local Government Limited Gaming Impact Program (LGLGI) in FY 2012-13 (for appropriation in FY 2013-14). The formula for determining funding in the LGLGI Program was adjusted from a percentage basis of total revenue to a statutorily determined \$5M. \$5M is transferred annually for competitive grants; however 2% of these funds (\$100,000) are transferred to the Department of Human Services for awarding grants for the purpose of providing gambling addiction counseling services to Colorado residents. This appropriation line is supported by the fund balance in the Local Government Limited Gaming Impact Fund created in Section 12-47.1-1601 (1) (a), C.R.S., which consists of funds transferred from the Limited Gaming Fund in the Department of Revenue during the prior fiscal year pursuant to Section 12-47.1-701, C.R.S. and is included for informational purposes as the Department is statutorily authorized to distribute moneys from this fund.

LOCAL GOVERNMENT GEOTHERMAL ENERGY IMPACT GRANTS

This line provides up to \$50,000 in Cash Fund spending authority to provide Geothermal Energy Impact Grants to local governments impacted by the geothermal resource industry activity ongoing in their respective communities, pursuant to Section 34-63-105, C.R.S. (2014). This grant program is funded from the state share (50%) of proceeds derived from federal leases under the Geothermal Steam Act.

SEARCH AND RESCUE PROGRAM

The Search and Rescue (SAR) fund was created to reimburse political subdivisions and search and rescue organizations for the costs incurred in conducting search and rescue operations; and to provide funding for the purchase of search and rescue related equipment and training. The fund is financed with a \$.25 surcharge on hunting licenses, fishing licenses, boat registrations, snowmobile registrations, off-highway vehicle registrations, and by the sale of the Colorado Outdoor Recreation Search and Rescue (CORSAR) card. The appropriation is supported by the Search and Rescue fund created in Section 33-1-112.5(1), C.R.S.

OTHER LOCAL GOVERNMENT GRANTS

This line provides financial assistance to local governments in the areas of land use planning and growth management from the Colorado Heritage Communities fund created in Section 24-32-3207(1) C.R.S (2014) as well as other community assessment grants from the Governor's Office of Economic Development and International Trade.

(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

This Division was transferred to the Colorado Department of Public Safety as part of HB 12-1283.