



COLORADO

Department of Local Affairs

Line Item Descriptions

FY 2016-17 Budget Request

NOVEMBER 1, 2015

TABLE OF CONTENTS

(1) Executive Director's Office

Personal Services	3
Health Life and Dental.....	3
Short-term Disability	3
Amortization Equalization Distribution (AED).....	3
Supplemental Amortization Equalization Distribution.....	3
Salary Survey	3
Merit Pay.....	3
Workers' Compensation	3
Operating Expenses	3
Legal Services	3
Payment of Risk Management and Property Funds.....	4
Vehicle Lease Payments	4
Information Technology Asset Maintenance.....	4
Leased Space.....	4
Capitol Complex Leased Space	4
Payments to OIT	4
COFRS Modernization	4
Moffat Tunnel Improvement District.....	4

(2) Property Taxation

Division of Property Taxation	5
State Board of Equalization	5
Board of Assessment Appeals	5
Indirect cost assessment.....	5

(3) Division of Housing

(A) (1) Administration

Administration- Personal Services.....	5
Administration- Operating Expenses.....	6

(A) (2) Community Services

Low Income Rental Subsidies	6
-----------------------------------	---

Line Item Descriptions FY 2016-17 BUDGET REQUEST

Homeless Prevention Programs	6
Fort Lyon Supportive Housing Program.....	6
<u>(B) Field Services</u>	
Affordable Housing Program Costs.....	6
Affordable Housing Grants and Loans	7
Manufactured Buildings Program.....	8
<u>(C) Indirect Cost</u>	
Indirect cost assessment.....	8

(4) Division of Local Government

(A) (1) Administration

Personal services	8
Operating expenses	8

(A) (2) Local Government Services

Local Utility Management Assistance	9
Conservation Trust Fund disbursements.....	9
Volunteer Firefighter Retirement Plans	9
Volunteer Firefighter Death and Disability Insurance.....	9
Firefighter Heart and Circulatory Malfunction Benefits.....	9
Environmental Protection Agency – Water/Sewer file project.....	9

(A) (3) Community Services

Community Services Block Grant	10
--------------------------------------	----

(B) Field Services

Program costs.....	10
Community Development Block Grant	10
Local Government Mineral and Energy Impact Grants and Distributions	10
Local Government Limited Gaming impact grants	11
Local Government Geothermal Energy impact grants	11
Search and Rescue Program.....	11
Other Local Government impact grants.....	11
<u>(C) Indirect Cost Assessments</u>	11

Line Item Descriptions FY 2016-17 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.

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.

AMORTIZATION EQUALIZATION DISTRIBUTION (AED)

This line item is for the department's AED costs. These costs increase incrementally per 24-51-411, C.R.S. (2015).

SUPPLEMENTAL AMORTIZATION EQUALIZATION DISTRIBUTION

This line item is for the department's SAED costs. These costs increase incrementally per 24-51-411, C.R.S. (2015).

SALARY SURVEY

The line item is appropriated at the department level for the department's salary increases.

MERIT PAY

The line item is appropriated at the department level for the department's employees who performed their work meritoriously.

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.

LEGAL SERVICES

This category represents the cost of purchasing legal services from the Department of Law. In FY 2016-17, the department will continue to utilize an appropriation of 1,790 hours for these services.

Line Item Descriptions FY 2016-17 BUDGET REQUEST

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, and the Grand Junction State Building.

COFRS MODIFICATION

Established to support the upgrade/replacement of the state financial and budget system.

PAYMENTS TO OIT

This item provides funding for payments to the Governor's OIT for its support of the State's Data Center, Colorado State Network and its services to DOLA, and support of OIT initiatives and staff.

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

Line Item Descriptions FY 2016-17 BUDGET REQUEST

assets could not be sold by 1998, transfer control of the District to the Department of Local Affairs. As such, 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 Article 8 of Title 32 of the Colorado Revised Statutes (2015) 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. 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 ASSESSMENT APPEALS

This line supports the program costs for the Board of Assessment Appeals (BAA). The BAA is currently composed of eight board members who meet to hear appeals by property taxpayers regarding 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, exemptions 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. FY 2016-17 is a 'non-assessment' year so there will be less money available in the BAA cash fund to pay for staff and operations.

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 (DOH Long Bill restructured as part of HB 14-1336)

(A)(1) Administration

PERSONAL SERVICES

This line item funds base salaries, PERA, and Medicare expenses for the Administration of the division.

OPERATING EXPENSES

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

(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 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.

FORT LYON SUPPORTIVE HOUSING PROGRAM

The Department currently receives \$3,223,851 in General Fund to assist in the treatment and housing of homeless veterans and other individuals as the program increases to a monthly average client load of 250 residents of FY 2016-17. Through FY 2015-16, the balance of the \$5 million needed to run this program was paid from Mortgage Servicing Settlement funds. Since this source of funds will be exhausted at the close of FY 2015-16, the Department is requesting \$1,765,786 from the Marijuana Tax Cash Fund to continue funding of this program. This line item 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 Program Activity Bond Program and related FTE throughout the State.

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.

Line Item Descriptions FY 2016-17 BUDGET REQUEST

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 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.

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 the Colorado Affordable Housing Construction Grants and Loans Program pursuant to Section 24-32-705 (1)(a), C.R.S., (2015) and is empowered 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 added \$1.0 million in General Fund for affordable housing in the Division of Housing. The Colorado State Legislature during the 2012 legislative session increased this appropriation 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.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2004-2005	\$ 100,000	2011-2012	\$2,000,000
2005-2006	\$ 100,000	2012-2013	\$2,309,000
2006-2007	\$1,100,000	2013-2014	\$4,200,000
2007-2008	\$1,239,000	2014-2015	\$8,200,000
2008-2009	\$2,225,000	2015-2016	\$8,200,000
2009-2010	\$2,225,000	2016-2017	\$8,200,000
2010-2011	\$2,225,000		

MANUFACTURED BUILDINGS PROGRAM

The Housing Technology and Standards Section (Manufactured Buildings Program) 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. As part of SB 15-234, related costs and FTE of the Manufactured Buildings Program will be separated from the Affordable Housing Program Costs line and a new Long Bill line item created.

(C) 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 and financial assistance to local governments, administers the local government budget, special district elections, and property tax "5.5% Limit" compliance programs, and demography services. The line also includes appropriations associated with SB 14-172 for the administration of a self-insured pool for Firefighter Heart and Circulatory Malfunction Benefits. The bill provides for 0.6 FTE in FY 2014-15 and an additional 0.5 FTE in FY 2015-16.

OPERATING EXPENSES

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

Line Item Descriptions FY 2016-17 BUDGET REQUEST

This line also includes amounts in SB 14-172 for the administration of a self-insured pool for Firefighter Heart and 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 funds are deposited in the Firefighter Benefits Cash Fund established in Section 29-5-302 (11), C.R.S. (2015). These reimbursements to municipalities, special districts, fire authorities, or county improvement districts are estimated to be \$150 per firefighter per year.

(A) (2) Local Government Services

LOCAL UTILITY MANAGEMENT ASSISTANCE

This program works with local governments, the Colorado Water Resources and Power Development Authority (CWRDPA), 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 staff personal services and operating expenditures for this program.

CONSERVATION TRUST FUND DISBURSEMENTS

After payment of administrative expenses, these funds are deposited in the Conservation Trust Fund and then distributed to over 400 eligible local entities pursuant to a statutory formula. These funds fluctuate with lottery sales revenue.

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 a statutory formula-based state contribution.

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.

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 expert field staff 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, Rural Economic Development Initiative (REDI) grants, administration of grant programs including Energy and Mineral Impact Program, Limited Gaming, Search and Rescue, Geothermal, Heritage Planning, and Community Development Block Grants.

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 Energy and Mineral Impact Assistance Program provides assistance to political subdivisions that are socially 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 FY 2013-14, over \$45 million was distributed through formulaic distributions and \$66 million in competitive grant awards and for FY 2014-15, it is anticipated that over \$71 million will be distributed through formulaic distributions and \$125 million 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 million in statewide grant initiatives for Broadband planning, CNG – Alternative Fuels, Fiscal Health and Flood Recovery in partnership with other state departments and agencies.

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 Gilpin and Teller counties, as well as on Native American 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. This amount is transferred annually for competitive grants; however, 2 percent of these funds (\$100,000) are transferred to the Colorado Department of Human Services to award grants for the purpose of providing gambling addiction counseling services to Colorado residents.

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. (2015). 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 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.

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 (2015), 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.