

Schedule 13

Department of Local Affairs

Funding Request for The FY 2021-22 Budget Cycle

Request Title: NP-01 COE Program Financial Restructure

Dept. Approval By:



Supplemental FY 2020-21

OSPB Approval By:



Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$3,247	\$3,247
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$897	\$897
	CF	\$0	\$0	\$0	\$487	\$487
	RF	\$0	\$0	\$0	\$1,233	\$1,233
	FF	\$0	\$0	\$0	\$630	\$630

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$3,247	\$3,247
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) Executive Director's Office, (1) Executive Director's Office - Statewide Training	GF	\$0	\$0	\$0	\$897	\$897
	CF	\$0	\$0	\$0	\$487	\$487
	RF	\$0	\$0	\$0	\$1,233	\$1,233
	FF	\$0	\$0	\$0	\$630	\$630

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Local Affairs
Non-Prioritized Request

**Interagency Approval or
Related Schedule 13s:**

Impacts DPA

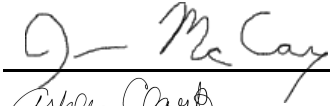
Schedule 13

Department of Local Affairs

Funding Request for The FY 2021-22 Budget Cycle

Request Title: NP-02 Annual Fleet Request

Dept. Approval By:



Supplemental FY 2020-21

OSPB Approval By:



Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$93,280	\$0	\$93,280	\$23,506	\$23,506
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$83,788	\$0	\$83,788	\$17,630	\$17,630
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$9,492	\$0	\$9,492	\$5,876	\$5,876
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$93,280	\$0	\$93,280	\$23,506	\$23,506
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) Executive Director's Office, (1)	GF	\$83,788	\$0	\$83,788	\$17,630	\$17,630
Executive Director's Office - Vehicle Lease Payments	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$9,492	\$0	\$9,492	\$5,876	\$5,876
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Local Affairs
Non-Prioritized Request

Interagency Approval or Related Schedule 13s:

Impacts DPA

Schedule 13

Department of Local Affairs

Funding Request for The FY 2021-22 Budget Cycle

Request Title: NP-03 OIT FY 2021-22 Budget Request Package

Dept. Approval By:



Supplemental FY 2020-21

OSPB Approval By:



Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21	FY 2021-22		FY 2022-23	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,892,794	\$0	\$2,078,925	(\$85,954)	(\$85,954)
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$599,713	\$0	\$628,754	(\$23,739)	(\$23,739)
	CF	\$238,230	\$0	\$302,767	(\$12,884)	(\$12,884)
	RF	\$730,409	\$0	\$806,809	(\$32,652)	(\$32,652)
	FF	\$324,442	\$0	\$340,595	(\$16,679)	(\$16,679)

Line Item Information	Fund	FY 2020-21	FY 2021-22		FY 2022-23	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,892,794	\$0	\$2,078,925	(\$85,954)	(\$85,954)
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) Executive	GF	\$599,713	\$0	\$628,754	(\$23,739)	(\$23,739)
Director's Office, (1)	CF	\$238,230	\$0	\$302,767	(\$12,884)	(\$12,884)
Executive Director's Office - Payments to OIT	RF	\$730,409	\$0	\$806,809	(\$32,652)	(\$32,652)
	FF	\$324,442	\$0	\$340,595	(\$16,679)	(\$16,679)

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Local Affairs Non-Prioritized Request	Interagency Approval or Related Schedule 13s:	Requires OIT Approval

Schedule 13

Department of Local Affairs

Funding Request for The FY 2021-22 Budget Cycle

Request Title: R-01 Align Defense Counsel on First Appearance Grant Program

Dept. Approval By: _____

J. McCay

Supplemental FY 2020-21

OSPB Approval By: _____

Ashley Clark

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total of All Line Items Impacted by Change Request	Total	\$1,000,000	\$0	\$1,997,145	(\$687,625)	\$687,625
	FTE	0.5	0.0	0.5	0.0	0.0
	GF	\$1,000,000	\$0	\$1,997,145	(\$687,625)	\$687,625
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
04. Division of Local Government, (B) Field Services, (1) Field Services - Defense Counsel on First Appearance Grant Program	Total	\$1,000,000	\$0	\$1,997,145	(\$687,625)	\$687,625
	FTE	0.5	0.0	0.5	0.0	0.0
	GF	\$1,000,000	\$0	\$1,997,145	(\$687,625)	\$687,625
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Local Affairs
Prioritized Request

**Interagency Approval or
Related Schedule 13s:**

No Other Agency Impact



Department Priority: R-01
Request Detail: Align Defense Counsel on First Appearance Grant Program

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Baseline	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$1,000,000	\$1,997,145	(\$687,625)	\$687,625
FTE	0.5	0.5	0.0	0.5
General Fund	\$1,000,000	\$1,997,145	(\$687,625)	\$687,625
Cash Funds	\$0	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request:

The Department is proposing a one-time reduction of \$687,625 General Fund to the Defense Counsel on First Appearance Grant Program (“DCFA Grant Program”) in FY 2021-22. Since the grant program’s inception in FY 2018-19, appropriations have not been fully spent with some portion of dollars being rolled-forward for expenditure in the subsequent fiscal year as permitted by the original legislation in Section 24-32-123 (2), C.R.S. The Department expects some portion of the FY 2020-21 appropriation for this program to roll-forward into FY 2021-22. This should size the grant program appropriately for FY 2021-22. This program is not on the evidence continuum.

Current Program:

This grant program was established by H.B. 18-1353 (“Defense Counsel In Municipal Court Grant Program”) to reimburse local governments for the costs associated with the provision of defense counsel to defendants making their first appearances in municipal courts.

Problem or Opportunity:

Since the grant program’s inception in FY 2018-19, appropriations have not been fully spent with some portion of dollars being rolled-forward for expenditure in the subsequent fiscal year as permitted by the original legislation in Section 24-32-123 (2), C.R.S. As part of the Governor’s FY 2019-20 sequestration order dated April 30, 2020, the Department reduced total funding available for the DCFA Grant Program by \$1,560,000 General Fund. However, 29 communities still received grant funding in FY 2019-20. Certain municipal court activities were deferred in the last quarter of FY 2019-20 due to coronavirus and will have to be rescheduled in FY 2020-21. This could serve to maximize the \$1 million General Fund appropriation provided for the DCFA Grant Program in FY 2020-21.

The Division of Local Government states that it can take up to three years to engage with local governments on the purposes of new grant programs and to provide technical guidance associated with the application process. The DCFA Grant Program has been slow to reach full capacity. The following table summarizes program appropriations and expenditures for the first two fiscal years of the DCFA Grant Program as well as the current year and request year appropriations, respectively. Administrative overhead costs are not included in the listed numbers, but roll-forward amounts are shown in the program appropriations for FY 2019-20 and FY 2020-21. The definitive amount of any potential roll-forward available in FY 2021-22 will not be known until closer to June 30, 2021, but an estimate of \$350,000 is provided in the following table. This estimate is not included in the FY 2021-22.

Fiscal Year	Program Appropriation	Grant Expenditures	Roll-Forward
2018-19	\$1,810,287	\$176,704	\$1,633,583
2019-20	\$2,034,280	\$1,292,637	\$741,643
2020-21	\$1,995,126	\$1,078,149*	\$350,000^
2021-22	\$1,309,520	n/a	n/a

* - includes encumbrances of \$1,021,506 as of October 16, 2020; ^ - this is only an estimate.

These numbers demonstrate that this grant program is still in the ‘seeding’ phase of its life cycle. That being the case, potential grantees are still learning which expenses can be charged to these grants and the most productive way to quantify reimbursement of applicable funds.

Proposed Solution:

As part of budget balancing actions adopted in the FY 2020-21 Long Bill, the DCFA Grant Program incurred a one-time reduction of \$997,145 General Fund, which decreased funding from \$1,997,145 General Fund to \$1,000,000 General Fund. The Department is proposing a second one-time funding reduction of \$687,625 General Fund for this program in FY 2021-22, which will decrease funding from \$1,997,145 General Fund to \$1,309,520 General Fund.

Anticipated Outcomes:

Based on this program's limited expenditure history, the Department believes that the appropriation proposed for FY 2021-22 will be sufficient to meet the needs of grant applicants. Additionally, some portion of the program's FY 2020-21 appropriation will likely get rolled-forward to FY 2021-22. Considering these two factors, this relatively new grant program should be sized appropriately for FY 2021-22. The proposed reduction will also make \$687,625 in General Fund revenue available to address other critical needs or programs in the State's FY 2021-22 operating budget.

Assumptions and Calculations:

None.

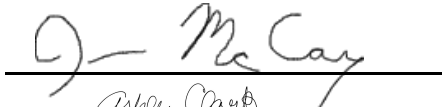
Schedule 13

Department of Local Affairs

Funding Request for The FY 2021-22 Budget Cycle

Request Title: R-02 Restructure Gray & Black Market Marijuana Enforcement

Dept. Approval By:



Supplemental FY 2020-21

OSPB Approval By:



Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total of All Line Items Impacted by Change Request	Total	\$950,673	\$0	\$4,950,673	(\$4,000,000)	\$0
	FTE	2.5	0.0	2.5	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$950,673	\$0	\$4,950,673	(\$4,000,000)	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
04. Division of Local Government, (B) Field Services, (1) Field Services - Gray and Black Market Marijuana Enforcement Grants	Total	\$950,673	\$0	\$4,950,673	(\$4,000,000)	\$0
	FTE	2.5	0.0	2.5	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$950,673	\$0	\$4,950,673	(\$4,000,000)	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation?

NO

Type of Request?

Department of Local Affairs
Prioritized Request

**Interagency Approval or
Related Schedule 13s:**

No Other Agency Impact



Department Priority: R-02
Request Detail: Restructure Gray and Black Market Marijuana Enforcement

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Baseline	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$950,673	\$4,950,673	(\$4,000,000)	\$0
FTE	2.5	2.5	0.0	0.0
General Fund	\$0	\$0	\$0	\$0
Cash Funds	\$950,673	\$4,950,673	(\$4,000,000)	\$0
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request:

The Gray & Black Market Marijuana grant program was established by HB17-1221 to provide funds to local governments to enforce and prosecute illegal marijuana activities. Grant demand was slow to start, and in response the Department changed the program model from a grant application and reimbursement model, to a formula-based, opt-in distribution model. While the new model has been more successful at distributing grant dollars, it is not clear whether these dollars are efficiently targeting areas of the state with the greatest needs or investing to make the greatest impact on enforcement and prosecution activities. The Department will begin retooling and resizing this grant program by returning to a disbursement model that more effectively focuses these grant funds on law enforcement activities and consulting with the Colorado Bureau of Investigation (CBI) on grant applications. The Department will also establish metrics to determine whether the new model is effectively reducing illegal marijuana activities. The current grant program is not on OSPB's evidence continuum.

The Department is proposing a one-time reduction of \$4,000,000 to the Gray and Black Market Marijuana Enforcement Grant Program ("Gray and Black Grant Program") line item in FY 2021-22. These proposed reductions include clarifying the program's objective and requiring data collection to measure impact, returning to a grant application model, and instituting CBI as a grant reviewer to help identify applications with high need and high impact.

Current Program:

Pursuant to H.B. 17-1221, the Department's Division of Local Government (DLG) awards Gray and Black Grant Program funds to recipients according to the following priorities:

- Assist local governments in rural areas that have limited law enforcement resources to address illegal, unlicensed marijuana cultivation or distribution operations;
- Support local law enforcement agencies and district attorneys in investigating and prosecuting large-scale unlicensed marijuana cultivation or distribution operations;
- Provide necessary financial assistance to local law enforcement agencies and district attorneys in the investigation and prosecution of organized crime involved in unlicensed marijuana cultivation or distribution operations; and
- Provide necessary financial assistance to local law enforcement agencies and district attorneys in the investigation and prosecution of unlicensed marijuana cultivation or distribution operations that divert marijuana outside of Colorado.

The inaugural appropriation in FY 2017-18 provided \$5.8 million to the Department for the grant program. In FY 2017-18, after extensive outreach and stakeholder engagement, only \$1.6 million in grant funding was requested and awarded: 32 applications out of a possible 334 eligible entities. Pursuant to Section 24-32-119 (2), C.R.S., each appropriation of nearly \$6 million provided to the Gray and Black Grant Program remains available for two fiscal years, after which the dollars are returned to the Marijuana Tax Cash Fund (MTCF). In FY 2018-19, the Gray and Black Grant Program received an additional \$5.9 million for grants and rolled forward \$5.1 million in grant funds from the year prior. In FY 2019-20, this program rolled forward \$5,858,965 in unused funds and was appropriated an additional \$5,944,365 in the Long Bill.

Considering the large amount of funding available for distribution and the low level of demand, the Department worked with the State Controller's Office in FY 2018-19 to change the method of financial assistance from a reimbursement model to a formula-based distribution model, similar to that utilized by the Conservation Trust Fund program. Under the new model, local governments interested in receiving funds from the Gray and Black Grant Program opt-in to receive funding, and then later provide the Department with information on how the funding was utilized for the investigation and prosecution of unlicensed marijuana.

In FY 2018-19, 46 eligible entities opted-in under the new formula model, and by June 30, 2019, \$3,306,663 was expended by recipients, while \$809,075 was returned to the MTCF. For the first application cycle of FY 2019-20, which occurred in July, 38 communities received \$5,809,197, and these communities will have until June 30, 2020, to spend those funds. Unused funds at the end of that period will become available for future grant recipients or will be returned to the MTCF. For the second application cycle of FY 2019-20, which occurred in December, 34 communities received \$5,820,676, and these funds will be available to these communities until June 30, 2021. The Department does not currently have projections for how much of these grants for either cycle will ultimately be utilized by recipients.

Problem or Opportunity:

The Department is appropriated nearly \$6 million in cash funds from the MTCF to support the Gray and Black Grant Program. However, demand for these dollars has not been as robust as the Department and the General Assembly expected when H.B. 17-1221 was signed into law. Figures to date include:

- In FY 2017-18, \$5,849,112 was appropriated for program grants but only \$708,395 of grant funding was awarded and ultimately spent.
- In FY 2018-19, the program rolled forward \$5,140,717 in unused funds, and was appropriated an additional \$5,940,151. Under a new funding formula, \$3,306,663 was awarded and spent, and \$809,075 was returned to the MTCF.
- In FY 2019-20, the program rolled forward \$5,858,965 in unused funds and was appropriated an additional \$5,944,365 for a total appropriation of \$11,803,330. Grant disbursements in FY 2019-20 totaled \$11,330,589 with \$155,603 spent on program administration and overhead. The remaining \$291,317 will be rolled-forward into FY 2020-21.
- In FY 2020-21, the Gray and Black Grant Program was appropriated \$950,673 from the MTCF. This was the result of a one-time \$4 million reduction submitted as part of the Department's FY 2020-21 budget request and an additional \$1 million reduction consequent to a Long Bill amendment.

Under the new formula-based distribution model as previously described, FY 2019-20 was the first year that the entire amount of available funding was disbursed to counties that opted-in for grants from the Gray and Black Grant Program. At the close of FY 2019-20, the Department determine that \$324,195 was returned to the MTCF from the FY 2018-19 appropriation.

Proposed Solution:

The Department proposes a one-time reduction to the Gray and Black Grant Program of \$4,000,000 cash funds provided by the MTCF. The adoption of H.B. 17-1221 created a new grant program and demand for these types of enforcement grants was relatively unknown. As mentioned previously, FY 2019-20 was the first year that all available grant funding was disbursed to interested local governments. The one-time reduction is proposed to balance the State's declining revenue in FY 2021-22 with funding needed for the Department's other grant programs.

These proposed reductions include clarifying the program's objective and requiring data collection to measure impact, returning to a grant application model, and instituting CBI as a grant reviewer to help identify applications with high need and high impact.

Anticipated Outcomes:

It is anticipated that funding will continue to be made available to interested law enforcement agencies with this proposed one-time reduction. The proposed reduction will also make \$4,000,000 in MTCF revenue available to address other critical needs or programs in the State's operating budget.

Assumptions and Calculations:

The Department's reduction proposal assumes maintaining all current support operations and reducing available grant dollars by \$4,000,000 in cash funds provided by the MTCF. The Department will work to determine whether this grant program needs to be resized and will submit a decision item to increase funding for the FY 2022-23 budget cycle if that seems appropriate.

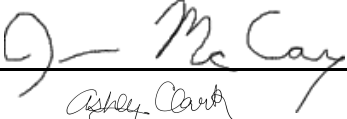
Schedule 13

Department of Local Affairs

Funding Request for The FY 2021-22 Budget Cycle

Request Title: R-03 Continue HB17-1326 Crime Prevention Grants Adjustments

Dept. Approval By:



Supplemental FY 2020-21

OSPB Approval By:



Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$2,000,000	\$0	\$3,000,000	(\$1,000,000)	\$1,000,000
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$2,000,000	\$0	\$3,000,000	(\$1,000,000)	\$1,000,000
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$2,000,000	\$0	\$3,000,000	(\$1,000,000)	\$1,000,000
	FTE	0.0	0.0	0.0	0.0	0.0
04. Division of Local Government, (B) Field Services, (1) Field Services - H.B. 17-1326 Crime Prevention Initiative Grants	GF	\$2,000,000	\$0	\$3,000,000	(\$1,000,000)	\$1,000,000
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation?

NO

Type of Request?

Department of Local Affairs
Prioritized Request

**Interagency Approval or
Related Schedule 13s:**

No Other Agency Impact



Department Priority: R-03
Request Detail: Continue HB 17-1326 Crime Prevention Grants Adjustments

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Baseline	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$2,000,000	\$3,000,000	(\$1,000,000)	\$1,000,000
FTE	0.0	0.0	0.0	0.0
General Fund	\$2,000,000	\$3,000,000	(\$1,000,000)	\$1,000,000
Cash Funds	\$0	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request:

The Crime Prevention Initiative grants program was established by HB17-1326, with support from the Colorado Criminal Justice Reform Coalition. The program's objective is to fund programs aimed at reducing crime in Aurora and Colorado Springs. The Department contracts with the Denver Foundation to provide grants to nonprofit organizations in those neighborhoods working toward a variety of outcomes identified as community priorities, including reducing recidivism, helping youth avoid high risk behaviors, preventing crime, and increasing academic achievement. The Department is proposing a reduction of \$1 million General Fund to the H.B. 17-1326 Crime Prevention Initiative Grants line item ("Crime Prevention Grants") in FY 2021-22, which would hold funding flat for FY 2020-21. The \$1 million reduction to this program in FY 2020-21 is a decrease of less than 6 percent to the total projected funding for this program over those six fiscal years. These communities have received a substantial fiscal stimulus over the last three fiscal years that was not previously available and will continue to receive this stimulus for the next three fiscal years.

This program is at a Step 2 on the Evidence Continuum because it tracks sub-grantee outcomes, but does not tie those outcomes to broader goals for the State, such as a reduction in crime.



Current Program:

The Crime Prevention Grants program was established by H.B. 17-1326 (“Justice Reinvestment Crime Prevention Initiative”) to provide grants aimed at reducing crime and promoting community development specifically in the communities of north Aurora and southeast Colorado Springs. It was originally scheduled to repeal on September 1, 2020. Beginning in FY 2017-18 through FY 2019-20, the Department was appropriated \$3 million General Fund annually. With the State’s economic downturn associated with COVID-19, the appropriation for this line item was reduced to \$2 million in FY 2020-21. The adoption of S.B. 19-064 (“Retain Criminal Justice Programs Funding”) extended this grant program through September 1, 2023. Prior to this date, the Department of Regulatory Agencies will conduct a sunset review of the program pursuant to Section 24-34-104, C.R.S.

Problem or Opportunity:

Between July 1, 2017 and June 30, 2023, this line item is projected to receive and distribute \$18 million General Fund in grants to the communities of north Aurora and southeast Colorado Springs minus \$720,000 in total administrative costs paid to the Denver Foundation. This equates to an annual overhead rate of 4 percent. The \$1 million reduction to this program in FY 2020-21 is a decrease of less than 6 percent to the total projected funding for this program over those six fiscal years. These communities have received a substantial fiscal stimulus from this program over the last three fiscal years that was not previously available and will continue to receive this stimulus for the next three fiscal years.

Proposed Solution:

As part of budget balancing actions adopted in the State’s FY 2020-21 Long Bill, the Crime Prevention Grants line item was reduced by \$1 million General Fund, which decreased funding from \$3 million to \$2 million General Fund. The Department is proposing to continue this same reduction in FY 2021-22. These reductions totaling \$2 million General Fund represent a decrease of approximately 11 percent from the full amount of General Fund that would have been appropriated to this grant program between July 1, 2017, and June 30, 2023. In light of the State’s declining revenue environment, the Department believes this is a reasonable area of its budget to propose a one-time reduction. In FY 2019-20, 43 organizations received funding from the Crime Prevention Grants line item to support crime prevention in north Aurora and southeast Colorado Springs.

Anticipated Outcomes:

The Department believes the proposed permanent reduction of \$1 million to the Crime Prevention Grants program balances the needs of the grant program while also recognizing Colorado’s declining revenue environment and its inability to continuing funding all State programs at FY 2019-20 levels. This proposed reduction will make \$1 million in General Fund revenue available to address other critical needs or programs in the State’s operating budget for both FY 2021-22 and FY 2022-23.

Assumptions and Calculations:

The Department assumes that the Crime Prevention Grants program will receive its full appropriation of \$3 million General Fund in FY 2022-23. This will allow the communities of north Aurora and southeast Colorado Springs to receive a full \$3 million General Fund stimulus in the last year of the program’s anticipated funding.

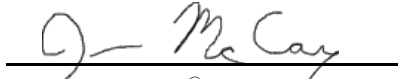
Schedule 13

Department of Local Affairs

Funding Request for The FY 2021-22 Budget Cycle

Request Title: R-04 Adjust Affordable Housing Funds

Dept. Approval By:



Supplemental FY 2020-21

OSPB Approval By:



Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total of All Line Items Impacted by Change Request	Total	\$39,236,124	\$0	\$39,601,221	(\$4,681,311)	\$4,681,311
	FTE	32.2	0.0	33.9	(1.7)	1.7
	GF	\$9,409,313	\$0	\$9,409,313	(\$4,544,962)	\$4,544,962
	CF	\$15,380,087	\$0	\$15,380,087	\$0	\$0
	RF	\$1,816,641	\$0	\$2,181,738	(\$136,349)	\$136,349
	FF	\$12,630,083	\$0	\$12,630,083	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
03. Division of Housing, (B) Field Services, (1) Field Services - Affordable Housing Program Costs	Total	\$2,707,331	\$0	\$3,072,428	(\$136,349)	\$136,349
	FTE	32.2	0.0	33.9	(1.7)	1.7
	GF	\$209,313	\$0	\$209,313	\$0	\$0
	CF	\$80,087	\$0	\$80,087	\$0	\$0
	RF	\$1,816,641	\$0	\$2,181,738	(\$136,349)	\$136,349
	FF	\$601,290	\$0	\$601,290	\$0	\$0

03. Division of Housing, (B) Field Services, (1) Field Services - Affordable Housing Grants and Loans	Total	\$36,528,793	\$0	\$36,528,793	(\$4,544,962)	\$4,544,962
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$9,200,000	\$0	\$9,200,000	(\$4,544,962)	\$4,544,962
	CF	\$15,300,000	\$0	\$15,300,000	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$12,028,793	\$0	\$12,028,793	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Local Affairs
Prioritized Request

**Interagency Approval or
Related Schedule 13s:**

No Other Agency Impact



Department Priority: R-04
Request Detail: Adjust Affordable Housing Funds

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Baseline	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$39,236,124	\$39,601,221	(\$4,681,311)	\$4,681,311
FTE	32.2	33.9	(1.7)	1.7
General Fund	\$9,409,313	\$9,409,313	(\$4,544,962)	\$4,544,962
Cash Funds	\$15,380,087	\$15,380,087	\$0	\$0
Reappropriated Funds	\$1,816,641	\$2,181,738	(\$136,349)	\$136,349
Federal Funds	\$12,630,083	\$12,630,083	\$0	\$0

Summary of Request:

The Division of Housing (DOH) in the Department of Local Affairs is proposing a one-time reduction of \$4,544,962 General Fund to the Affordable Housing Construction Grants and Loans Pursuant to Section 24-32-721, C.R.S. ("Affordable Housing Grants and Loans") line item. The Department will receive increased funding for this line item through HB19-1245. Assuming Legislative Counsel Staff (LCS) forecasts are correct, the Department will still receive \$43,955,038 in FY 2021-22, representing an increase of 21 percent over FY20-21 levels. In addition, voters are currently deciding on the passage of HB 20-1427, which would result in approximately \$11.2 million additional dollars for this line item in FY 2021-22.

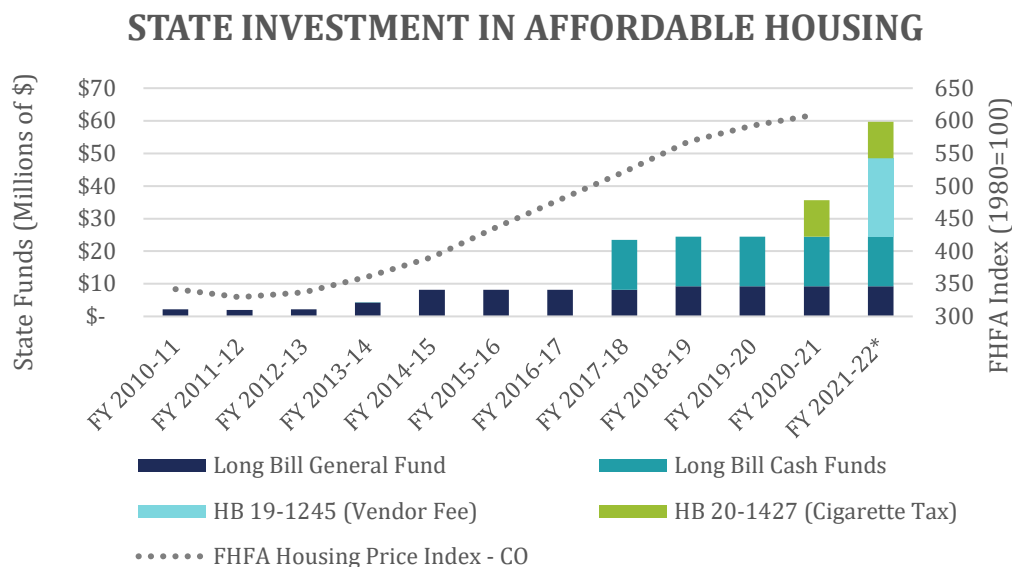
This request will also result in an associated \$136,349 decrease in re-appropriated funds and 1.7 FTE for administrative costs from the Housing Development Grant Fund (HDG) as permitted by Section 24-32-721 (3)(b), C.R.S.

Current Program:

Moneys appropriated by the General Assembly to the Affordable Housing Grants and Loans line item, which consists of both General Fund and cash funds from the Marijuana Tax Cash Fund, are deposited in the Housing Development Grant Fund (HDG Fund) as created in Section 24-32-721 (1), C.R.S. These funds are used to improve, preserve, or expand the supply of affordable housing in Colorado through the provision of ‘gap’ financing to housing authorities, non-profit organizations, local governments, and private developers to develop or rehabilitate income-restricted rental or for-sale housing. In FY 2018-19, \$24.5 million (\$9.2 General Fund and \$15.3 Marijuana Tax Cash Fund) in HDG funds supported 19 projects resulting in the creation of 1,144 affordable housing units. These funds contributed approximately \$10,000 per unit of affordable housing with an additional \$240,000 per unit in leveraged funds. Leveraged funds are the funds or other contributions that are required, in addition to the state funds, to complete an affordable housing project. Typical sources of leveraged funds include tax credit equity, private loans, donated land, waived fees, owner equity, deferred developer fees, and local or federal government grants and loans.

Problem or Opportunity:

During the 2019 legislative session, H.B. 19-1245 (“Fund Affordable Housing from Vendor Fee”) was adopted by the General Assembly and signed by the Governor for the express purpose of expanding Colorado’s supply of affordable housing. Due to the economic impacts of COVID-19, the Division is not expecting to receive a transfer of funds in FY 2019-20. At this time, it is unknown whether these impacts will be a factor for FY 2020-21. The table below assumes that none of the estimated \$7.3 million will be transferred in FY 2020-21 and that approximately \$24 million will be transferred in FY 2021-22 (based on the September LCS forecast). In addition to HB 19-1245, voters are currently voting on HB 20-1427 (“Cigarette Tobacco and Nicotine Products Tax”). If this passes, the Department will receive approximately \$11.2 M in FY 2020-21 and FY 2021-22.



*Assumes passage of HB 20-1427 and no decrease in base funds

Proposed Solution:

Due to the increased availability of overall funding for affordable housing as demonstrated above, the Department is proposing a one-time reduction of \$4,544,962 General Fund to the Affordable Housing Grants and Loans line item in FY 2021-22. This reduction will prevent impacting current availability of affordable housing units for Colorado residents. For example, reducing the Low Income Rental Subsidies line item, which funds the provision of housing vouchers, would have a direct and immediate negative impact on Coloradans who rely on those vouchers.

Proposal Considerations: After reviewing and analyzing the line items and programs in DOH's section of the Long Bill, the Department determined that the General Fund portion of the Affordable Housing Grants and Loans line item is the only place that a reduction is feasible. The Department considered the \$15.3 million cash funds portion of this line item, which is supported by the MTCF. Such a reduction would have essentially the same impact as the proposed reduction to the General Fund. During the most recent budget cycle, the Department submitted a FY 2018-19 supplemental as well as both a change request and a budget amendment for FY 2019-20 to increase General Fund support for the Colorado Choice Transitions (CCT) voucher program. Any reduction to State funding for the Low Income Rental Subsidies line item would be catastrophic to voucher recipients. The Homeless Prevention Programs line is largely funded with federal dollars and the State dollars are provided through a checkoff on the State's income tax forms. As long as Colorado's taxpayers continue to support the program, it is critical to maximize funds provided to grant recipients. Since inception, the Fort Lyon Supportive Housing Program has experienced reversions of only a few thousand dollars. This program underwrites critical partnerships with both Colorado Coalition for the Homeless (CCH) and Bent County. Lastly, the Manufactured Buildings Program has reverted no money over the last three fiscal years. With the adoption of H.B. 19-1309 ("Mobile Home Park Oversight Act"), the responsibilities of this program continue to evolve.

Anticipated Outcomes:

If the proposed reduction of \$4,544,962 General Fund to the Affordable Housing Grants and Loans line item is approved, only 436 units of affordable housing will be supported by the General Fund portion of this line in FY 2021-22 as opposed to 916 units without the proposed reduction. As a 'gap' funder, DOH provides the funding necessary to make affordable housing projects financially viable and often helps bring developers into projects they might otherwise forego. Without the Department's support, it is likely that fewer units in Colorado will be income-restricted and/or units will become 'less affordable'. For example, DOH funds can shift a unit from being affordable to a household at 60% of Area Media Income (AMI) to being affordable to a household at 30% AMI, which is a critical difference to many households.

Section 24-32-721 (3)(b), C.R.S., permits the Division of Housing to utilize 3 percent of the State funds appropriated to the Affordable Housing Grants and Loans line item for the administrative costs of managing these dollars. Therefore, this proposal will result in a one-time reduction of \$136,349 in re-appropriated funds available for transfer to the Affordable Program Costs line item as well as one-time reduction of 1.7 FTE.

Assumptions and Calculations:

The Department's foregoing production and cost numbers in previous sections for this proposal are based on data from FY 2018-19 HDG program analysis.

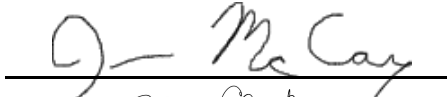
Schedule 13

Department of Local Affairs

Funding Request for The FY 2021-22 Budget Cycle

Request Title: R-05 Law Enforcement Community Services Grant Program

Dept. Approval By:



Supplemental FY 2020-21

OSPB Approval By:



Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$72,227	\$0	\$72,227	\$200,000	\$200,000
	FTE	1.0	0.0	1.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$72,227	\$0	\$72,227	\$200,000	\$200,000
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$72,227	\$0	\$72,227	\$200,000	\$200,000
	FTE	1.0	0.0	1.0	0.0	0.0
04. Division of Local Government, (B) Field Services, (1) Field Services - Law Enforcement Community Services Grant Program	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$72,227	\$0	\$72,227	\$200,000	\$200,000
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation?

NO

Type of Request?

Department of Local Affairs
Prioritized Request

**Interagency Approval or
Related Schedule 13s:**

No Other Agency Impact



Department Priority: R-05
Request Detail: Law Enforcement Community Services Grant Program

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Baseline	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$72,227	\$72,227	\$200,000	\$200,000
FTE	1.0	1.0	0.0	0.0
General Fund	\$0	\$0	\$0	\$0
Cash Funds	\$72,227	\$72,227	\$200,000	\$200,000
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

The Department is requesting \$200,000 in additional permanent cash funds spending authority to launch the first award cycle of the Law Enforcement Community Services (LECS) Grant Program in FY 2021-22. These funds will be appropriated from the LECS Grant Program Fund created in Section 24-32-124 (5)(b), C.R.S. During the 2018 legislative session, H.B. 18-1020 (“Civil Forfeiture Reforms”) was adopted by the General Assembly and signed into law by the Governor on May 29, 2018. This legislation modified H.B. 17-1313 (“Civil Forfeiture Reform”) in several ways, but the most critical to this request was the creation of the LECS Grant Program.

The LECS Grant Program will supplement local efforts focused on drug intervention, prevention, treatment, and recovery. Eligible applicants for these funds include law enforcement agencies, local governments, and community organizations. In distributing grant funds, the Department’s grant application process will emphasize communities struggling to implement programs that address drug intervention, prevention, treatment, and recovery. This request is not considered on the evidence-based policy continuum.

Current Program:

Originally established pursuant to H.B. 17-1313, this legislation did not include the LECS grant program. The position provided at that time handled the submission of bi-annual asset forfeiture reports through the Department's website. As described in the Legislative Council Staff's Final Fiscal Note for this legislation dated June 26, 2018, implementation of the program's new requirements pursuant to H.B. 18-1020 began in FY 2019-20 when the scope of the program manager was expanded to include drafting grant policies for the LECS Grant Program and to begin liaising with the 17 members of the LECS Grant Program Committee. The LECS Grant Program line item in the FY 2020-21 Long Bill is appropriated \$72,227 and 1.0 FTE, which is only enough cash fund spending authority to pay the salary of the grant manager and a small amount of associated operating expenses. The fiscal note for H.B. 18-1020 anticipated that the grant program could be launched in FY 2020-21, but the LECS Grant Program Fund did not accrue revenue quickly enough for that to occur.

Problem or Opportunity:

While H.B. 18-1020 anticipated that the LECS Grant Program would launch in FY 2020-21, the cash flow into the supporting cash fund is not as predictable as annual fee or mandatory registration models. As listed in part below, Section 16-13-311 (3)(a), C.R.S., prescribes how sales proceeds from the auction of assets seized by the State's law enforcement agencies are divided:

"... the court shall also order such property to be sold at a public sale by the law enforcement agency in possession of the property in the manner provided for sales on execution, or in another commercially reasonable manner. Property forfeited pursuant to this section or proceeds therefrom must be distributed or applied in the following order:

(VII) The balance shall be delivered, upon order of the court, as follows:

(A) Fifty percent to the general fund of the governmental body or bodies with budgetary authority over the seizing agency for public safety purposes or, if the seizing agency was a multijurisdictional task force, fifty percent to be distributed in accordance with the appropriate intergovernmental agreement;

(B) Twenty-five percent to the managed service organization contracting with the office of behavioral health in the department of human services serving the judicial district where the forfeiture proceeding was prosecuted to fund detoxification and substance use disorder treatment. Money appropriated to the managed service organization must be in addition to, and not be used to supplant, other funding appropriated to the office of behavioral health; and

(C) Twenty-five percent to the law enforcement community services grant program fund created pursuant to section 24-32-124 (5)."

The sale of assets seized by law enforcement agencies varies from year to year and therefore scaling the LECS Grant Program at a level to allow for at least one grant award every fiscal year is complicated. Once the LECS Grant Program is inaugurated, the Department believes it is important that the fund have the capacity to provide some level of grants every year. By the end of FY 2020-21, the Department believes the LECS Grant Program Fund will have a sufficient balance to provide for a grant program of \$200,000 per year.

The Legislative Council Staff's Final Fiscal Note for H.B. 18-1020 assumed that the LECS Grant Program Fund would receive \$500,000 annually from revenue previously distributed to managed service organizations (MSOs) and from increased revenue earned on seized property sales under

the state system that was previously processed through the federal system prior to adoption of H.B. 17-1313. In the first two fiscal years of the LECS Grant Program, this projected level of annual revenue has not been achieved. The average annual revenue earned for FY 2018-2019 and FY 2019-20 was \$243,940.

Proposed Solution:

At the close of FY 2020-21, the Department is projecting that the LECS Grant Program Fund will have a fund balance of approximately \$585,000, which assumes an additional \$250,000 of revenue received in FY 2020-21. As such – and ultimately required by H.B. 18-1020 – the Department is requesting additional cash funds spending authority to launch the LECS Grant Program beginning in FY 2021-22 with \$200,000 made available for grants to eligible applicants. As specified in H.B. 18-1020, these grants will be provided to law enforcement agencies, local governments, and community organizations for the purpose of improving services to local communities in the following areas: community policing and outreach; drug intervention, prevention, treatment, and recovery; technology; training; and other community services.

The Department will continue to monitor annual remittances to the LECS Grant Program Fund as well as demand from eligible communities to determine if more than \$200,000 for annual grant awards can be sustained and make requests to the Joint Budget Committee for additional cash funds spending authority as necessary.

Anticipated Outcomes:

If approved, the LECS Grant Program will finally fulfill the original intentions of H.B. 18-1020 and provide grant dollars to local governments that will strengthen several areas of the community policing model and the successful reduction of substance abuse. The Department's grant application model will focus on communities struggling on issues related to drug intervention, prevention, treatment, and recovery. The Department also plans to include an equity lens in the evaluation of proposals.

Assumptions and Calculations:

Since 1.0 FTE and administrative costs of \$72,227 for the LECS Grant Program are already provided in the FY 2020-21 Long Bill, the only assumptions made in this request are approximate fund balance projections at the close of FY 2020-21 (\$585,000) and FY 2021-22 (\$835,000) and their ability to support annual grant awards in the amount of \$200,000 for this program.

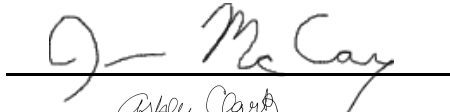
Schedule 13

Department of Local Affairs

Funding Request for The FY 2021-22 Budget Cycle

Request Title: R-06 One-Time Elimination of Geothermal Energy Impact Grants

Dept. Approval By:



Supplemental FY 2020-21

OSPB Approval By:



Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$50,000	\$0	\$50,000	(\$50,000)	\$50,000
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items	GF	\$0	\$0	\$0	\$0	\$0
Impacted by Change Request	CF	\$50,000	\$0	\$50,000	(\$50,000)	\$50,000
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$50,000	\$0	\$50,000	(\$50,000)	\$50,000
	FTE	0.0	0.0	0.0	0.0	0.0
04. Division of Local Government, (B) Field Services, (1) Field Services - Local Government Geothermal Energy Impact Grants	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$50,000	\$0	\$50,000	(\$50,000)	\$50,000
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation?

NO

Type of Request?

Department of Local Affairs
Prioritized Request

**Interagency Approval or
Related Schedule 13s:**

No Other Agency Impact



Department Priority: R-06
Request Detail: One-Time Elimination of Geothermal Energy Impact Grants

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Baseline	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$50,000	\$50,000	(\$50,000)	\$50,000
FTE	n/a	n/a	n/a	n/a
General Fund	\$0	\$0	\$0	\$0
Cash Funds	\$50,000	\$50,000	(\$50,000)	\$50,000
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

The Department is proposing a one-time elimination of the \$50,000 cash funds appropriation for the Local Government Geothermal Energy Impact Grants line item in FY 2021-22. Over the last six fiscal years – with the exception of minimal administrative costs not exceeding \$150 in any year over that time – the Department has not had the occasion to provide grants for either of the purposes delineated in Section 34-63-105, C.R.S. The cash fund associated with this program will be part of proposed legislation during the 2021 legislative session to transfer the uncommitted cash funds of several funds to the State General Fund to help balance the FY 2021-22 budget. This program is not on the evidence continuum.

Current Program:

The Geothermal Resource Leasing Fund is created for the deposit of all revenue from sales, bonuses, royalties, leases, and rentals related to the State's geothermal resources as defined in Section 37-90.5-103, C.R.S. The Local Government Geothermal Energy Impact Grants line item was created pursuant to Section 34-63-105 (1), C.R.S., for appropriation by the General Assembly to provide grants to state agencies, school districts, and political subdivisions of the State affected by the development and production of geothermal resources as authorized by federal law. Such grants are furnished primarily to these various entities in planning for and providing facilities and services necessitated by the development and production of geothermal resources. In consultation with the Governor's Energy Office, the Department's Executive Director has the authority to fund competitive grants for the promotion of geothermal energy resource development.

Problem or Opportunity:

Over the last six fiscal years – with the exception of minimal administrative costs not exceeding \$150 in any year over that time – the Department has not had the occasion to provide grants for either of the purposes delineated in Section 34-63-105, C.R.S. In conjunction with proposed legislation to be introduced during the upcoming 2021 legislative session, the Geothermal Resource Leasing Fund will make a one-time transfer of \$130,000 to the State General Fund on July 1, 2021.

Proposed Solution:

To ensure that \$130,000 is available for the proposed cash funds transfer in FY 2021-22, the Department is proposing the one-time elimination of the \$50,000 cash funds appropriation for the Local Government Geothermal Energy Impact Grants line item. This will ensure that no grants as permitted in Section 34-63-105, C.R.S., can be provided in FY 2021-22, which would put the proposed cash funds transfer in jeopardy.

If this proposal is not approved, then the proposed cash funds transfer of \$130,000 could become untenable since the Department would be able to award up to \$50,000 in grants as described in Section 34-63-105, C.R.S.

Anticipated Outcomes:

If this proposal is approved, the Department expects to provide a cash funds transfer of \$130,000 from the Geothermal Resource Leasing Fund to the State General Fund in FY 2021-22 without potential complicating transactions related to the Local Government Geothermal Energy Impact Grants program. The Department's projections indicate there will be sufficient funds in the Geothermal Resource Leasing Fund to resume underwriting this line item in FY 2022-23.

Since the Local Government Geothermal Energy Impact Grants program has not provided any grants in the last several fiscal years, no negative consequences to the intended beneficiaries of Section 34-63-105, C.R.S., are anticipated in FY 2021-22.

<i>Assumptions and Calculations:</i>

Both the proposed one-time elimination of the \$50,000 cash funds appropriation for the Local Government Geothermal Energy Impact Grants line item in FY 2021-22 and the resumption of funding this line item in FY 2022-23 assumes that leasing revenue deposited in the Geothermal Resource Leasing Fund remains essentially intact based on historical data since FY 2016-17.

There are no FTE associated with this line item.

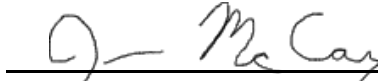
Schedule 13

Department of Local Affairs

Funding Request for The FY 2021-22 Budget Cycle

Request Title: R-07 Refinance Firefighter Malfunction Benefits

Dept. Approval By:



Supplemental FY 2020-21

OSPB Approval By:



Budget Amendment FY 2021-22

X

Change Request FY 2021-22

		FY 2020-21		FY 2021-22		FY 2022-23
Summary Information		Initial	Supplemental	Base	Change	
	Fund	Appropriation	Request	Request	Request	Continuation
	Total	\$1,706,926	\$0	\$1,706,926	(\$150,000)	\$150,000
	FTE	0.5	0.0	0.5	0.0	0.0
Total of All Line Items	GF	\$617,873	\$0	\$867,873	(\$150,000)	\$150,000
Impacted by Change Request	CF	\$250,000	\$0	\$0	\$0	\$0
	RF	\$839,053	\$0	\$839,053	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

		FY 2020-21		FY 2021-22		FY 2022-23
Line Item Information		Initial	Supplemental	Base	Change	
	Fund	Appropriation	Request	Request	Request	Continuation
	Total	\$1,706,926	\$0	\$1,706,926	(\$150,000)	\$150,000
	FTE	0.5	0.0	0.5	0.0	0.0
04. Division of Local	GF	\$617,873	\$0	\$867,873	(\$150,000)	\$150,000
Government, (A) Local	CF	\$250,000	\$0	\$0	\$0	\$0
Government and Community	RF	\$839,053	\$0	\$839,053	\$0	\$0
Services, (2) Local Government	FF	\$0	\$0	\$0	\$0	\$0
Services - Firefighter Heart and						
Circulatory Malfunction Benefits						

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Local Affairs
Prioritized Request

**Interagency Approval or
Related Schedule 13s:**

No Other Agency Impact



Department Priority: R-07
Request Detail: Refinance Firefighter Malfunction Benefits

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Baseline	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$1,706,926	\$1,706,926	(\$150,000)	\$150,000
FTE	0.5	0.5	0.0	0.0
General Fund	\$617,873	\$867,873	(\$150,000)	\$150,000
Cash Funds	\$250,000	\$0	\$0	\$0
Reappropriated Funds	\$839,053	\$839,053	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

As part of its FY 2021-22 budget request, the Department proposes a one-time \$150,000 refinance of the General Fund appropriation to the Firefighter Heart and Circulatory Malfunction Benefits line item from cash fund reserves in the Firefighter Benefits Cash Fund. This will entail reducing the General Fund appropriation to this line item by \$150,000 and subsequently requiring the cash fund associated with this program to make up the difference from fund balance. This request is not considered on the evidence-based policy continuum.

Current Program:

The Firefighter Heart and Circulatory Malfunction Benefits line item was created by S.B. 14-172 (“Firefighter Heart Circulatory Malfunction Benefits”) and is funded through a General Fund appropriation that supports both the administrative costs of managing the program and the transfer to the Firefighter Benefits Cash Fund that ultimately provides funds to eligible employers for the purposes of Section 29-5-302, C.R.S. Pursuant to Section 29-5-302 (11)(b), C.R.S., the Department is responsible for reimbursing employers for the direct costs of maintaining accident insurance, self-insurance, or participation in a self-insurance pool or multiple employer health trust.

Problem or Opportunity:

At the close of FY 2020-21, the Firefighter Benefits Cash Fund will have a surplus of approximately \$150,000. This program is not projected to grow beyond its current need of \$839,053 in reappropriated funds to reimburse employers as required by Section 29-5-302 (11)(b), C.R.S., and therefore this surplus will continue to go unutilized in FY 2021-22.

Proposed Solution:

As part of its FY 2020-21 budget balancing package, the Joint Budget Committee refinanced \$250,000 of the General Fund appropriation to the Firefighter Heart and Circulatory Malfunction Benefits line item from cash fund reserves in the Firefighter Benefits Cash Fund. At the close of FY 2019-20, this fund was projected to have a \$400,000 surplus at the close of FY 2019-20.

As part of its FY 2021-22 budget request, the Department proposes refinancing \$150,000 of the General Fund appropriation to the Firefighter Heart and Circulatory Malfunction Benefits line item from cash fund reserves in the Firefighter Benefits Cash Fund. This will not reduce the \$839,053 available to reimburse eligible employers as required by Section 29-5-302 (11)(b), C.R.S.

If the Department’s refinance proposal is not approved, the State will be unable to utilize the cash fund reserves in the Firefighter Benefits Cash Fund to reduce the General Fund appropriation to the Firefighter Heart and Circulatory Malfunction Benefits line item in FY 2021-22.

Anticipated Outcomes:

If approved, the Department expects that the proposed refinance will enable the State to save \$150,000 General Fund in FY 2021-22. There will be no negative consequences to beneficiaries of this program since the total funds available for reimbursement shall remain at \$839,053 in reappropriated funds.

Assumptions and Calculations:

By the end of FY 2021-22, approval of the Department’s proposal will result in the Firefighter Benefits Cash Fund expending all of its fund reserves. Therefore, the Department assumes that the Firefighter Heart and Circulatory Malfunction Benefits line item will return to its FY 2020-21 request baseline, which was comprised of \$867,873 General Fund and \$839,053 in reappropriated funds. The difference between these two amounts is the administrative costs of managing the program.

Schedule 13

Department of Local Affairs

Funding Request for The FY 2021-22 Budget Cycle

Request Title: R-08 DOLA Personal Services Reductions

Dept. Approval By: _____

Supplemental FY 2020-21

OSPB Approval By: _____

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$5,734,243	\$0	\$5,748,431	(\$124,658)	(\$124,658)
FTE		65.8	0.0	65.8	(1.0)	(1.0)
GF		\$2,416,785	\$0	\$2,417,397	(\$124,658)	(\$124,658)
CF		\$1,066,934	\$0	\$1,066,934	\$0	\$0
RF		\$286,605	\$0	\$299,301	\$0	\$0
FF		\$1,963,919	\$0	\$1,964,799	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$3,092,028	\$0	\$3,092,028	(\$49,658)	(\$49,658)
FTE		37.2	0.0	37.2	(1.0)	(1.0)
02. Property Taxation, (A)	GF	\$1,866,894	\$0	\$1,866,894	(\$49,658)	(\$49,658)
Property Taxation, (1)	CF	\$992,358	\$0	\$992,358	\$0	\$0
Property Taxation - Division of Property Taxation	RF	\$232,776	\$0	\$232,776	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Total		\$2,642,215	\$0	\$2,656,403	(\$75,000)	(\$75,000)
FTE		28.6	0.0	28.6	0.0	0.0
03. Division of Housing, (A)	GF	\$549,891	\$0	\$550,503	(\$75,000)	(\$75,000)
Community and Non-Profit Services, (1) Administration -	CF	\$74,576	\$0	\$74,576	\$0	\$0
Personal Services	RF	\$53,829	\$0	\$66,525	\$0	\$0
	FF	\$1,963,919	\$0	\$1,964,799	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Local Affairs
Prioritized Request

**Interagency Approval or
Related Schedule 13s:**

No Other Agency Impact