



Colorado General Assembly
Joint Budget Committee

JOINT BUDGET COMMITTEE STAFF FY 2024-25 BUDGET BRIEFING SUMMARY

Department of Local Affairs

The Department of Local Affairs (DOLA) is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. The Department's FY 2023-24 appropriation represents approximately 1.1 percent of statewide operating appropriations and 0.4 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF LOCAL AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB23-214 (Long Bill)	377,813,556	52,892,283	184,795,741	15,109,746	125,015,786	233.2
Other legislation	4,948,635	1,948,635	0	3,000,000	0	0.8
TOTAL	\$382,762,191	\$54,840,918	\$184,795,741	\$18,109,746	\$125,015,786	234.0
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$382,762,191	54,840,918	\$184,795,741	\$18,109,746	\$125,015,786	234.0
R1 Continuation of HB 19-1009 voucher program	999,479	0	999,479	0	0	1.0
R2 EDO IT business project manager	97,247	0	0	97,247	0	0.9
R3 SDO statistical analyst	113,935	113,935	0	0	0	0.9
R4 DCFA grant program reduction	(500,000)	(500,000)	0	0	0	0.0
Non-prioritized decision items	854,830	171,046	269,123	330,506	84,155	0.0
Annualize prior year budget actions	5,892,047	6,547,642	(536,081)	(9,176)	(110,338)	2.0
Centrally appropriated line items	2,644,094	959,956	1,819,022	(33,634)	(101,250)	0.0
Indirect cost assessment	71,932	0	158,361	(58,208)	(28,221)	0.0
Technical adjustments	(4,435,156)	0	(4,435,156)	0	0	1.2
Annualize prior year legislation	(1,303,890)	(304,411)	(999,479)	0	0	(1.7)
TOTAL	\$387,196,709	\$61,829,086	\$182,071,010	\$18,436,481	\$124,860,132	238.3
INCREASE/(DECREASE)	\$4,434,518	\$6,988,168	(\$2,724,731)	\$326,735	(\$155,654)	4.3
Percentage Change	1.2%	12.7%	(1.5%)	1.8%	(0.1%)	1.8%

R1 CONTINUATION OF H.B. 19-1009 VOUCHER PROGRAM: The Department requests \$999,479 cash funds from the Marijuana Tax Cash Fund for a permanent continuation to maintain the substance use disorders program established by H.B. 19-1009 ("Substance Use Disorders Recovery"). These funds would also support 1.0 FTE, a Community and Economic Development Specialist III, who currently manages the program and was a part of the original funding and its associated funding. The Department's request does not propose an increase to the level of program funding. The Department identified this request as proven (Step 5).

R2 EXECUTIVE DIRECTOR'S OFFICE (EDO) IT BUSINESS PRODUCT MANAGER: The request includes \$97,267 reappropriated funds and 0.9 FTE in FY 2024-25 and \$98,117 and 1.0 FTE in FY 2025-26 and ongoing for a Business Product Manager. This position is requested in order to address increasing departmental administrative workload

resulting from the development of new IT systems for new programs as well as the planning and administration for the ongoing replacement of existing programs' legacy systems that are becoming or have become obsolete. OIT refers to this as "technical debt." There are currently 17 technical debt applications in progress or projected for development or replacement over the next three to five years.

R3 STATE DEMOGRAPHY OFFICE (SDO) STATISTICAL ANALYST: The request includes \$113,935 General Fund and 0.9 FTE in FY 2024-25 and \$120,623 and 1.0 FTE in FY 2025-26 and ongoing to develop a position for long-term housing and income forecasts for state-wide use. The Department requests one full-time, ongoing FTE Statistical Analyst III to increase the capacity of the State Demography Office (SDO) to create, display, and release additional housing and household data.

R4 DEFENSE COUNSEL ON FIRST APPEARANCE (DCFA) GRANT PROGRAM REDUCTION: The request includes a decrease of \$500,000 General Fund in FY 2024-25 and ongoing. This program reimburses local governments for the costs of providing public defense counsel to defendants on their first appearance in municipal court if they are facing incarceration. This program was created by H.B. 18-1353 and extended by H.B. 23-072 following sunset review. For additional information regarding this request, see Informational Issue 2 beginning on page 15 of this document.

NON-PRIORITIZED DECISION ITEMS: The request includes a net increase of \$854,830 total funds, including \$171,046 General Fund, for requests that originate in the Governor's Office of Information Technology (OIT), the Department of Personnel, and Health Care Policy and Financing.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP01 Central services omnibus request	\$488,445	\$142,392	\$182,364	\$103,733	\$59,956	0
NP02 Annual fleet vehicle request	(12,510)	(28,820)	13,153	3,157	0	0
NP03 HCPF R14 Host home contract true up	181,335	0	0	181,335	0	0.0
TOTAL	\$854,830	\$171,046	\$269,123	\$330,506	\$84,155	0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net increase of \$5.8 million total funds, including \$6.5 million General Fund, for the out-year cost of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY23-24 ARPA prepay utilization	\$5,002,336	\$5,002,336	\$0	\$0	\$0	0.0
FY23-24 DOLA-HCPF voucher increase	1,739,292	1,739,292	0	0	0	0.8
FY23-24 Resiliency and disaster recovery	12,570	12,570	0	0	0	0.2
FY23-24 Executive director's office cap	11,465	0	0	11,465	0	0.4
FY23-24 IT accessibility	(579,813)	(229,433)	(219,401)	(20,641)	(110,338)	0.0
FY23-24 Moffat tunnel lease renewal	(267,123)	22,877	(290,000)	0	0	0.4
FY23-24 R5 manufactured buildings program	(26,680)	0	(26,680)	0	0	0.0
TOTAL	\$5,892,047	\$6,547,642	(\$536,081)	(\$9,176)	(\$110,338)	2.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$2.6 million total funds, including \$959,956 General Funds for centrally appropriated line items, summarized in the table below.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY24-25 Total compensation request	\$1,872,763	\$621,667	\$594,689	\$585,999	\$260,618	0.0

FY24-25 Statewide operating request	660,286	198,073	505,565	(14,629)	(28,723)	0.0
FY24-25 Payments to OIT adjustment	213,553	211,297	748,526	(603,335)	(142,935)	0.0
FY24-25 Legal services adjustment	(102,508)	(71,081)	(29,758)	(1,669)	(12,290)	0.0
TOTAL	\$2,644,094	\$959,956	\$1,819,022	(\$33,634)	(\$101,250)	0.0

TECHNICAL ADJUSTMENTS: The request includes a \$4.4 million decrease in cash funds and 1.2 FTE related to a technical issue.

TECHNICAL ADJUSTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Adjustments to informational lines w (I) notation	\$567,180	\$0	\$567,180	0	0	1.2
Indirect cost assessment base adjustment	441,336	0	441,336	0	0	0.0
ARPA Prepay Base Adjustment	(5,002,336)	0	(5,002,336)	0	0	0.0
Div. of housing indirect cost assessment base adjustment	(441,336)	0	(441,336)	0	0	0.0
TOTAL	(\$4,435,156)	\$0	(\$4,435,156)	0	0	1.2

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$1.3 million total funds, including \$304,000 General Fund, \$999,000 Cash Funds, and 1.7 FTE to reflect the FY 2023-24 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZING PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize HB19-1009 substance use disorders recovery	\$0	\$0	\$0	0	0	(0.7)
Annualize HB23-1257 mobile home park water quality	0	0	0	0	0	1.5
Annualize HB19-1009 substance use disorders recovery	(997,041)	0	(997,041)	0	0	(0.3)
Annualize HB23-1257 mobile home park water quality	(136,885)	(136,885)	0	0	0	(1.5)
Annualize HB23-1253 study corporate home ownership	(122,549)	(122,549)	0	0	0	(0.4)
Annualize HB23-1086 due process asset forfeiture act	(22,549)	(22,549)	0	0	0	0.0
Annualize SB21-032 mobile veterans support unit	(22,428)	(22,428)	0	0	0	(0.3)
Annualize HB19-1009 substance use disorders recovery	(2,438)	0	(2,438)	0	0	0.0
TOTAL	(\$1,303,890)	(\$304,411)	(\$999,479)	0	0	(1.7)

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

CASH FUNDS DETAIL: This issue discusses the significant number of cash funds that provide resources and funding to various divisions within the department.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2020B, 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Local Affairs. This included \$408 million in general fund and \$446.1 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds) for new and existing initiatives within the Department.

INFORMATIONAL ISSUE: R1 CONTINUATION OF H.B. 19-1009 VOUCHER PROGRAM:

This issue discusses the Department's R1 request for a permanent continuation to maintain the substance use disorders program established by H.B. 19-1009 ("Substance Use Disorders Recovery").

INFORMATIONAL ISSUE: R4 DEFENSE COUNSEL ON FIRST APPEARANCE (DCFA) GRANT PROGRAM

REDUCTION: This issue discusses the Department's R4 request for a decrease in a grant program that provides reimbursement to municipalities for first appearances on jailable offenses.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2023.