

**DEPARTMENT OF LOCAL AFFAIRS
FY 2012-13 JOINT BUDGET COMMITTEE
PERFORMANCE BASED GOALS HEARING AGENDA**

**Friday, January 6, 2012
11:30 am – 12:30 am**

11:30-11:40 INTRODUCTION AND OPENING COMMENTS

11:40-12:30 CONTINUATION OF PERFORMANCE-BASED GOALS DISCUSSION

Background Information: As part of the FY 2012-13 budget briefing cycle, Joint Budget Committee (JBC) staff prepared a briefing issue on the Department of Local Affairs' (DOLA's) performance based goals. The Department discussed its performance relative to these goals during its November 28 budget hearing. Pursuant to the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act (H.B. 10-1119), this information was intended to provide background for meetings that will occur during the first 25 days of the legislative session where the committees of reference may provide recommended budget priorities to the JBC, based on reviews of performance-based goals and measures for DOLA.

While the Department's full strategic plan includes four overarching objectives and performance measures as well as additional division-specific objectives and performance measures, much of the information provided during the briefing cycle focused only on the four overarching objectives. The Committee has asked for additional information on division-specific performance-based goals. Moreover, the JBC has asked for additional data on DOLA's performance relative to its four major objectives. Please note that the full strategic plan for DOLA can be accessed from the Department's web site.



Executive Overview FY 2012 - 2013 Strategic Plan

As presented to:
Joint Budget Committee - January 6, 2012

Department of Local Affairs

John W. Hickenlooper
Governor of Colorado

Reeves Brown
Executive Director

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Mission

Strengthening Colorado Communities



Vision

The Colorado Department of Local Affairs strengthens communities and enhances livability in Colorado. Using reliable and objective assessment methods, DOLA bridges the gap between localities and state government, partnering with local leadership to solve a wide range of problems and address a broad spectrum of issues and challenges. Through responsive action, flexibility, and unparalleled customer service, DOLA helps to ensure safety, equity, and vitality throughout the state.

Constitutional and Statutory Authority

The statutory authority for the Department of Local Affairs is found in Title 24, Article 32, Colorado Revised Statutes (2011).

Division of Property Taxation (DPT) authority can be found in Article X, Section 3 of the Colorado Constitution; Title 39, Article 2 of the Colorado Revised Statutes (2011).

Board of Assessment Appeals (BAA) authority can be found in Article XII, Section 2 of the Colorado Constitution, Article X, Section 3 of the Colorado Constitution, and Title 39, Article 2 of the Colorado Revised Statutes (2011).

Division of Housing authority can be found in Title 24, Article 32, Section 702, Colorado Revised Statutes (2011).

Division of Local Government authority can be found in Title 24, Article 32, Section 102, Colorado Revised Statutes (2011).

Division of Emergency Management authority can be found in Title 24, Article 32, Section 2105, Colorado Revised Statutes (2011).

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From the Executive Director

The Department of Local Affairs (DOLA) serves as the primary interface between the State and local communities. The department provides financial support to local communities and training and technical assistance to elected community leaders in the areas of governance, housing, property tax administration, and emergency management. While all state governments provide such services through various departmental structures, Colorado's approach is unique in that these local community services are gathered into one department of "Local Affairs" which has a central focus on strengthening those communities and enhancing livability. In this role, DOLA serves as the portal through which most communities access state government services.



Reeves Brown
Executive Director



Reeves Brown (center), joins local officials for a tour of Road 29 & bridge construction in Mesa County.

DOLA has established a culture within the department that encourages collaboration and efficiency. When administrative functions and programmatic tasks are shared across the organization, our customers at the local level, including local elected and appointed officials, receive more integrated services. This sharing of expertise and function, along with workload, provides considerable administrative efficiency. Cross-training and teamwork among our divisions creates the conditions for better service to local communities.

In accordance with C.R.S. HB10-1119, known as the "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act," DOLA is presenting its FY2012 - 2013 Strategic Plan before the Joint Budget and Senate and House Local Government committees. This Executive Overview serves as a supplement to that document, providing highlights of select department objectives and performance measures from each of our divisions.

The Department of Local Affairs encourages and appreciates your feedback. For questions about the department, its divisions, programs, services or this document, please contact us or visit our [website](#):

Executive Director's Office
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Sincerely,

A handwritten signature in black ink, appearing to read "Reeves Brown". The signature is stylized and written over a white background.

Reeves Brown
Executive Director



Division of Property Taxation (DPT)

JoAnn Groff, Director

Highlight: Assessment Education Performance Measure (Section 1 – Page 9 of the FY2012-2013 Strategic Plan)

Many of the activities of the Division of Property Taxation are specifically dictated by both the constitution and Colorado Revised Statutes. Specifically, § 39-2-110, C.R.S. states:

“Annual School for assessors. To further improvement in appraisal and valuation procedures and methods and understanding and knowledge thereof, the division of property taxation shall conduct annual instruction and discussion sessions in the nature of a school for assessors, their employees and employees of the division...”

To comply with this statute the division provides an education program that will help increase the knowledge, competency and effectiveness of Colorado assessors and their staff in the fulfillment of their duty to complete the tasks necessary to appropriately value properties for ad valorem taxation purposes and all activities necessary to produce the tax warrant.

Classes and workshops offered by the division include but are not limited to:



National USPAP Course (Qualifying Education); National USPAP Update Course (Continuing Education); Introduction to Assessment; Advanced Title Conveyance; Manufactured Homes; GIS for Assessment; Vacant Land Present Worth Discounting; Agricultural Land and Rural Structures; Ownership, Legal Descriptions and Mapping; Assessment Appeals Process; Presenting your best Ag Case; Advanced Income; Agricultural Land Classification; Abstract of Assessment and Certification of Values; Severed Minerals;

Mapping Procedures; Environmental Property Valuation; Time Trending Analysis; Hotel & Motel Valuation; Bed & Breakfast Valuation; Vacant Land Valuation; Rural Structure Valuation; Possessory Interest; Sales Confirmation Workshop; Abatement Workshop; Assessment Administration; Basic Title Conveyance; Exemptions Workshop; Statistics; Golf Course Valuation; Oil and Gas Equipment; Oil and Gas Netback Valuation; Oil and Gas Pipeline Valuation; Property Design and Measurement; Basic Appraisal Principles; Advanced Personal Property; Introduction to State Assessed Property Valuation; Processing State Assessed Values; Basic Appraisal Procedures; Abstract Compliance; Rate Development; Assessment Math; Basic Personal Property; Advanced Personal Property; Property Classification; Tax Increment Financing and Property Measurement.

To ensure the success of this program the division queries assessors annually to establish what instruction they feel their staff will need in the upcoming year and their satisfaction with the previous year's offerings. The division offers most classes in the greater metropolitan area along the Front Range and in Grand Junction. Additionally, classes are offered in other parts of the state through special request of an assessor or group of assessors. For much of 2011 the division worked with the Division of Real Estate, Department of Regulatory Agencies to gain approval to offer Continuing Education classes through distance or remote education, an opportunity to further convenience the assessment community and save counties and the state on travel costs.



Attendees are surveyed at the end of every class to establish their satisfaction and to receive comments for improvement. These results are shared through the following:

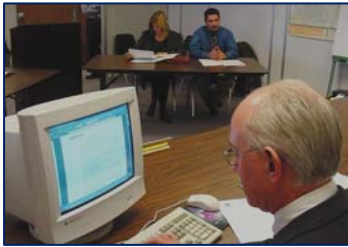
Budget measurement standard: Education – achieve 95% student pass rate. Attain 80% rate of student satisfaction. Attain 80% rate of assessor satisfaction with student skill transfer back to the job.



Board of Assessment Appeals (BAA)

Mike Beery, Director

Highlight: Objective 1: Number of Petitions Resolved (Section 1 – Page 13 of the FY2012-2013 Strategic Plan)



During fiscal year 2011, the Board of Assessment Appeals continued to see dramatic results from the implementation of a strategy to ensure that taxpayer appeals are resolved on a timely basis. The strategy involved the continued implementation of a new hearing scheduling process known as a trailing docket. The attached chart shows the results achieved through the implementation of this strategy.

The BAA resolved 6,020 appeals over the two-year property tax cycle ending June 30, 2011. This was a 112% increase over the number of appeals resolved prior to implementing the trailing docket strategy. The implementation of this strategy allowed the number of appeals remaining at the end of the two-year property tax cycle to remain relatively constant even though the number of appeals received during the cycle increased dramatically (the number of appeals received increased 90% versus the number of appeals received in the 2006 and 2007 fiscal years).

The implementation of the trailing docket strategy was accomplished through the efficient use of existing available resources. No additional resources were needed to implement the improvements. In fact, the long bill appropriation for the BAA decreased from \$658,107 in fiscal year 2009 to \$543,416 in fiscal year 2011.

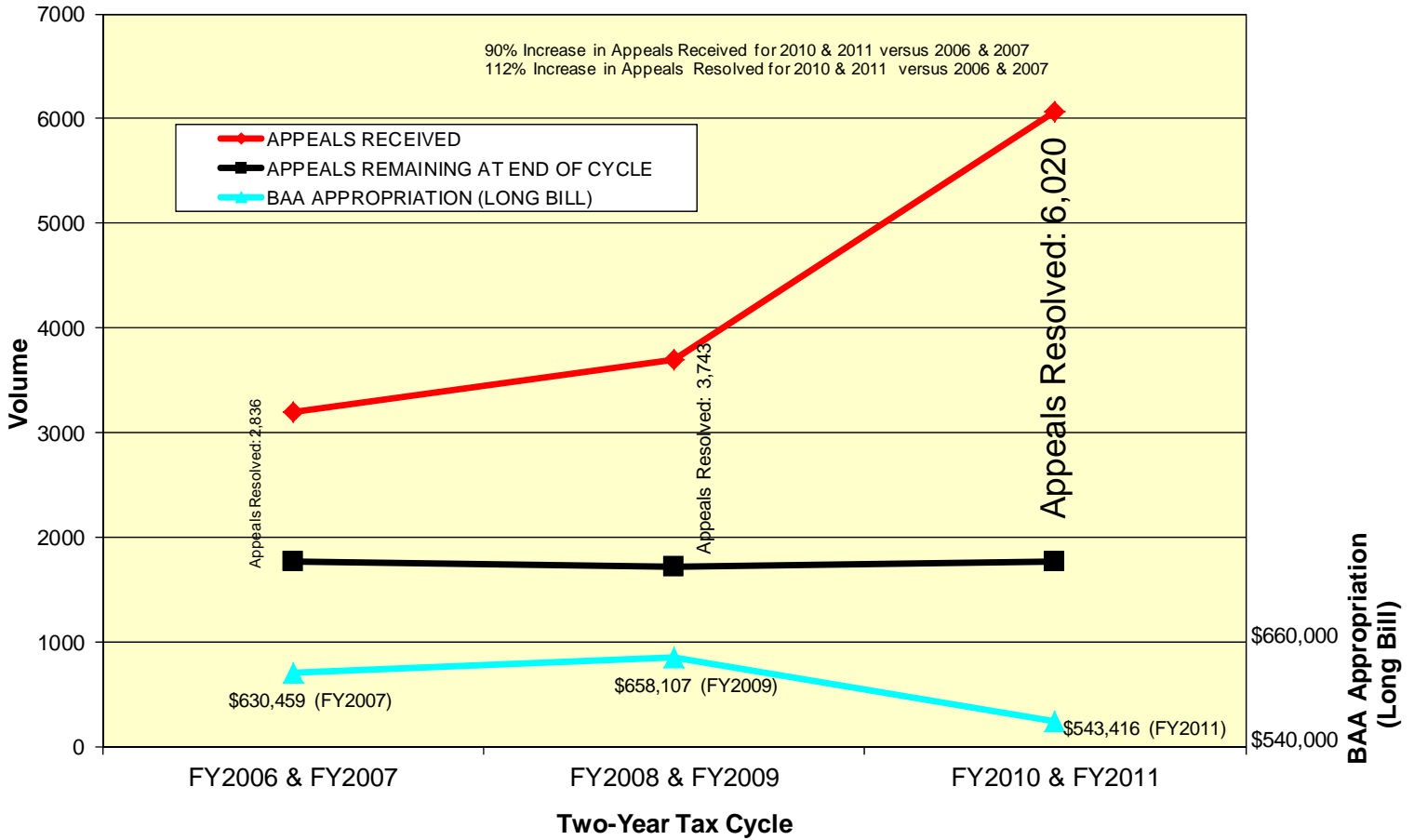
Highlight: Objective 2: Number of Educational and Outreach Activities (Section 1 – Page 13 of the FY2012-2013 Strategic Plan)

During fiscal year 2011, the Board of Assessment Appeals continued to conduct outreach activities designed to provide accessibility to the hearing process. The BAA scheduled taxpayer hearings in locations outside of the Denver-metro area for taxpayers in 9 counties: Alamosa, Archuleta, Chaffee, Costilla, Garfield, Huerfano, Las Animas, Pitkin and Rio Grande counties. These hearings were in addition to hearings scheduled outside of the Denver-metro area late in fiscal year 2010 for taxpayers in 7 other counties: Delta, Gunnison, Hinsdale, Mesa, Ouray, Rio Blanco and San Miguel counties.

The BAA also continued to expand its use of video conference technology for hearings, allowing taxpayers and counties to appear by video conference. The ability to appear by video conference saves county government resources while maintaining the ability for Board members to observe the parties during testimony. The BAA also recently held a hearing with one Board member attending by video conference from Steamboat Springs, Colorado. The hearing involved property valued at over \$41 million. The use of video conference technology for this hearing saved state resources and was accomplished through a cooperative effort with Colorado Mountain College.

The BAA also conducted educational activities to promote a fair and impartial hearing process. The Administrator for the BAA was a regular speaker at meetings held by county attorneys who appear for BAA hearings. The BAA also reviewed and improved educational materials available for taxpayers during fiscal year 2011.

BAA Graph: Objective 1 - Appeals Received, Appeals Remaining and BAA Appropriation Fiscal Years 2006 through 2011





Division of Housing (DOH)

Pat Coyle, Director

Highlight: Social Avoidance Costs Associated with Affordable Housing in Colorado

Stable housing plays a fundamental role in health, safety, and quality of life for families and individuals. In 2011, the Division of Housing sought out at-risk populations to house and connect to supportive services. These included homeless school children, rural mental health patients who were provided respite care, dual-diagnosed persons discharged from Corrections, homeless veterans, and Medicaid patients in nursing homes.



In 2011, there were 21,487 homeless school children, 4,358 lived in motels, shelters or without shelter. There were 1,295 homeless veterans; half had been without shelter for at least one full year. The recidivism rate for ex-offenders is 52%. The weekly cost savings of providing mental health respite care can be up to \$900 per week or \$46,000 per year.

The Department of Local Affairs believes that permanent housing is the missing ingredient in moving each of these families or individuals to stability.

Instead of only measuring inputs (number of people served), we also seek to measure outcomes. There is a high potential for substantive social benefit and reduced taxpayer burden if we can:

- Increase school attendance and achievement of homeless children
- Reduce the recidivism rate of ex-offenders
- Reduce Medicaid cost by moving able-bodied nursing home residents to independent housing with in-home health care
- Reduce admission rates of mental health patients into the State Hospital
- Increase the job opportunities of homeless veterans

By addressing one destabilizing aspect in the lives of these people – housing – it is possible to combine outcome based performance with permanent change. The approach has the potential to improve results, promote innovation, and encourage investment in cost-saving preventive services. Beyond bricks and mortar, stable housing with integrated services pays a dividend into the future. The Division is partnering with state agencies, local governments, and non-profit service providers by providing affordable housing for their clients.

Based on a current assessment of resources and projects presently in the production pipeline, a conservative estimate of the total number of units that will come online during the 2012-2013 fiscal year is 800 rehabilitated units and 1,000 units of new construction.



Division of Local Government (DLG)

Tony Hernandez, Director

Highlight: Objective 2: Promote increased regional collaboration among local governments through strategic grant investments (Section 1 – Page 22 of the FY2012-2013 Strategic Plan)

Achieving this objective requires three actions: First and foremost, providing technical assistance to local governments to identify regional problems; second, developing a regional solution; and third competitively awarding available financial resources to regional projects that have the best opportunity for success. In 2010, field staff provided 326 intensive technical assistance engagements and in 2011, provided 385 intensive technical assistance engagements to assist local governments. The following highlights four examples of regional solutions to regional problems:



Georgetown and Silver Plume Construction of Wastewater Treatment Facility

This project consisted of sewer infrastructure planning and funding to evaluate and reduce groundwater inflow to sewer lines and manholes which would allow for proper sizing of a new shared wastewater treatment plant. Additional analysis and negotiation support was provided to enable a new

intergovernmental agreement and billing system for joint operations of wastewater conveyance and treatment facilities to provide better water treatment services at a lower cost for the 1,034 residents of Georgetown and the 170 residents of Silver Plume. This effort included the adoption of a common rate structure. This technical and financial assistance effort has benefitted from a long-term partnership with the Water Resource and Power Development Authority, Colorado Department of Public Health and Environment, Department of Local Affairs and the federal government funding through the American Recovery and Reinvestment Act (ARRA).

DOLA Grant: \$619,150

Leverage/match: \$6,090,360

The following three projects that promoted regional collaboration were funded through SB09-232:

Region 9 Southwest Council of Government Development of Broadband Network

Project is to construct the Southwest Colorado Access Network (SCAN) for local governments in Southwest Colorado. The regional project is comprised of individual build-outs in 13 separate communities within the five county region making the sharing of information more reliable. This will increase the economic development potential of the entire region while creating new revenue streams to the communities.

Each local project has different program aspects and, with the help of consultants considerable work has been done to refine the individual community needs, particularly in the smaller communities. In the Pagosa Springs area, this project has helped create a new business and wireless services in the area has taken off. The project should be complete by December, 2013.

The specific communities participating are: the City of Durango; City of Cortez; Towns of Bayfield, Mancos, Dolores, Dove Creek, Rico, Silverton, Pagosa Springs; Counties of Archuleta, Dolores, La Plata, San Juan and Montezuma; Fort Lewis College; Southwest Community College. Upon project completion the result will provide an opportunity for economic growth, job creation and community sustainability through public/private partnerships that maximize broadband coverage, while keeping costs to a minimum.

DOLA grant: \$3,000,000
Leverage/match \$1,000,000



Reeves Brown speaks at the Road 29 grand opening

Mesa County and the City of Grand Junction Construction of Road 29

This project consisted of the construction of a grade-separated crossing of the Union Pacific Railroad in Grand Junction. This structure provides increased connectivity by reducing vehicle miles traveled and providing a pedestrian/bike facility across the railroad and I-70B in the Grand Valley. This overpass will eliminate more than 80,000 vehicle miles traveled daily and relieve congestion on existing corridors reduction of carbon footprint. This

project's grand opening was November 19, 2011. This project is a component of the beltway loop around the core of the Grand Valley serving Grand Junction, and the outlying communities of Whitewater, Clifton and Fruitvale. The result of this project is enhancement of a sense of community, increased public safety and creation of an infrastructure that supports business development and more effective and efficient transportation. It is expected to represent a savings of \$3 million annually just in fuel expense without regards to time.

DOLA Grant: \$3,200,000
Leverage/match \$16,966,378

Garfield County and Town of Parachute Construction of US 6 Bridge Interchange

Originally funded as a single project, this project was executed under two separate contracts with the Town of Parachute being responsible for the building of a truck by-pass around the town and a bridge over parachute Creek. This portion of the project was completed in November, 2011. The by-pass will connect to the interchange which is being built and managed under separate contract with Garfield County. The engineering for this interchange is now complete and the work has been bid out with construction to begin in the spring. This portion of the project is a good example of great cooperation between the county, the Colorado Department of Transportation and the Department of Local Affairs. This project will decrease traffic congestion, pollution, speed up the transportation of oil and gas and improve the quality of life for the Town of Parachute and Garfield County.

DOLA Grant: \$8,000,000

Leverage/match \$9,600,000

DLG Graph: Objective 2 - Promote Increased Regional Collaboration Through Strategic Grants





Division of Emergency Management (DEM)

Dave Hard, Director

Highlight: Objective 1: Increase the number of Colorado counties that have a federally approved hazard mitigation plan (Section 1 – Page 32 of the FY2012-2013 Strategic Plan)

Colorado Recovery and Mitigation Task Force

This year saw the second use of the newly created Colorado Recovery and Mitigation Task Force following the Las Animas earthquake swarm in August 2011. This Task Force allowed for federal, state, local, and nonprofit agencies to operate with a shared understanding of the events and impacts, and allowed for the coordination of efforts, including participation in a local multi-agency recovery assistance center. In addition, CDEM partnered with two divisions within the Department of Natural Resources (Colorado Geological Survey and the Division of Water Resources) to study the impacts of the event on public infrastructure and private property. This Task Force is scalable to meet the needs of both large and small events throughout the state and is activated as needed.

State of Colorado Natural Hazards Mitigation Plan

The State of Colorado is also required to have a natural hazards mitigation plan, with a reevaluation and update every three years, to maintain eligibility for pre- and post-disaster FEMA funds. The State Hazard Mitigation Team, facilitated by CDEM and comprised of many stakeholders, completed an update and the 2011 plan was adopted by the Governor and approved by FEMA Region VIII.

Mitigation Planning

One of CDEM's success stories is our coordinated effort to increase the number of counties with FEMA approved, locally adopted Hazard Mitigation Plans.

The Disaster Mitigation Act of 2000 stipulates that local jurisdictions must have a FEMA approved, locally adopted mitigation plan in place to qualify for FEMA's pre- and post-disaster hazard mitigation funds. Plans must be updated at a minimum of every five years. As predicted, the increase in mitigation staff from 2 to 5.5 full-time in November 2009 resulted in a dramatic increase in the number of approved local hazard mitigation plans.

Mitigation Projects

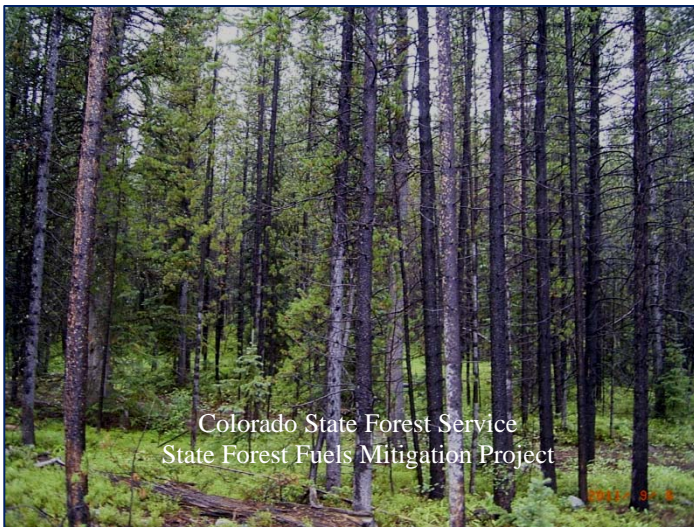
The 2011 national competition for the FEMA Pre-Disaster Mitigation and Flood Mitigation Assistance Programs funds was fierce, but ultimately six projects were selected from Colorado communities and state agencies totaling \$6.6 million in new federal funds.

Projects selected for the \$6.6 million in federal funding from PDM include:

- Boulder County Wildfire Mitigation Project
- Platte Canyon Deer Creek Wildfire Mitigation Project
- City of Colorado Springs Cottonwood Creek Stabilization at Vincent Drive Bridge
- Colorado State Forest Service – State Forest Fuels Mitigation Project
- Windsor, Colorado – John Law Floodplain – Residential Flood Risk Reduction Project
- Projects selected for funding from the Flood Mitigation Assistance Program include:
- City of Aurora PDM/FMA Flood Mitigation Project (\$2.2 million in federal funds)

In addition, this project was selected for funding from the FEMA Repetitive Flood Claims Program:

- Canon City Residential Acquisition and Demolition Project (\$179,000)



This project was selected for funding through the FEMA Pre-Disaster Mitigation Program in FFY 2011. Work will be completed in the Colorado State Forest and will protect park structures, surrounding structures, and the water supply for the Town of Walden in northern Colorado.



This project was selected for funding through the FEMA Flood Mitigation Assistance Program in FFY 2011. It is designed to improve channel capacity, protect critical transportation infrastructure, and remove residences from the floodplain.

DEM Maps: Objective 1 - Local Hazard Mitigation Plans June 2009 Compared to December 2011

Below is a map of the plan coverage on June 17, 2009. At that time, 13 counties (20 percent and 11 percent of the population) had plans approved by the Colorado Division of Emergency Management (CDEM), the Federal Emergency Management Agency (FEMA) and adopted by the counties and local government entities.



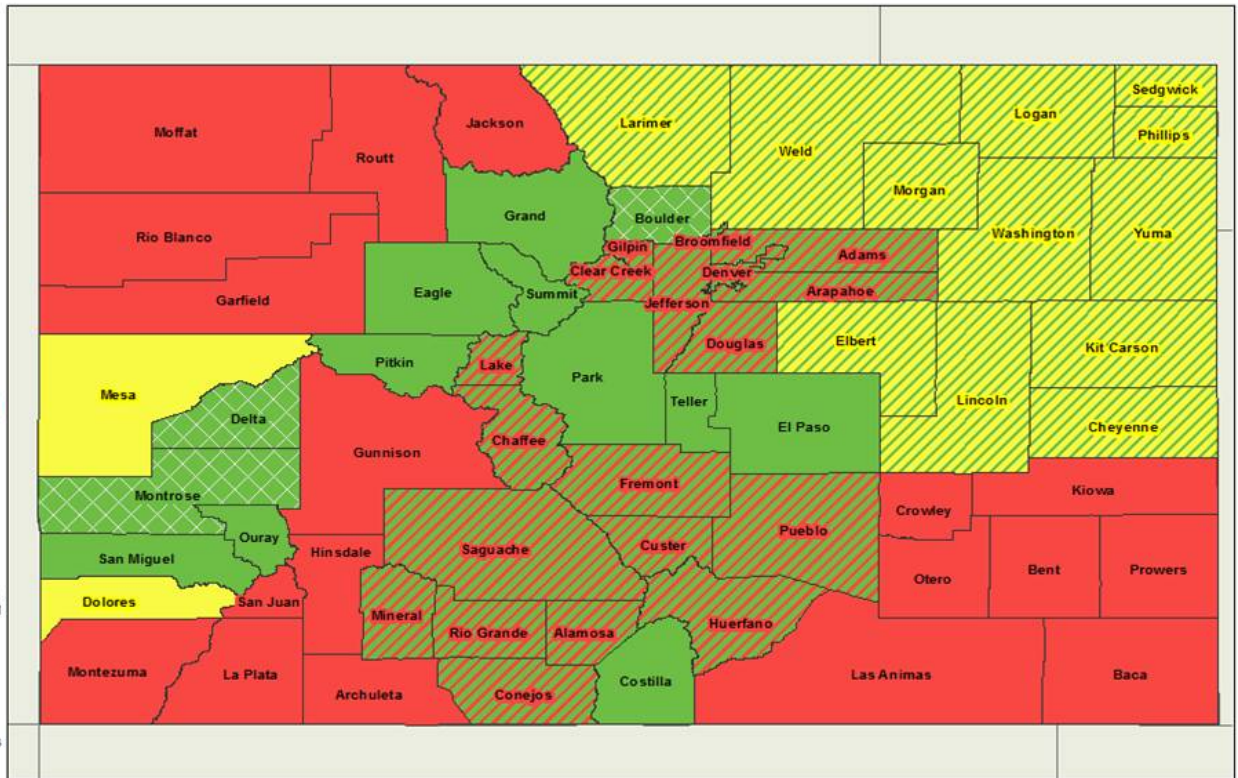
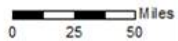
Local Hazard Mitigation Plans June 2009

11%
of Colorado's
Population
Covered

20%
of Counties
with Approved
Plans



Map Date: June 17, 2009
 Recreated on: 12/29/2011
 Produced by: CDEM
 Data Source: Population
 Estimate 2009 by
 Colorado Department of
 Local Affairs, State
 Demography Office



Plan Status	Counties	2009 Population (% total)
Approved Plan	13 (20%)	553,176 (11%)
Up for Revision	14 (22%)	1,389,577 (28%)
No Approved Plan	37 (58%)	3,034,100 (61%)
Total	64	4,976,853 (100%)

June 2009 DOLA Plan Status

- No Approved Plan
- Plan- Up for Revision
- Approved
- No Approved Plan- Planning in Progress
- Approved- Pending Adoption
- Plan- Revision in Progress

As of December 2011, through extensive provision of facilitation and technical assistance, 61% of the counties now have approved plans, covering 92% of the State's population.



Local Hazard Mitigation Plans December 2011

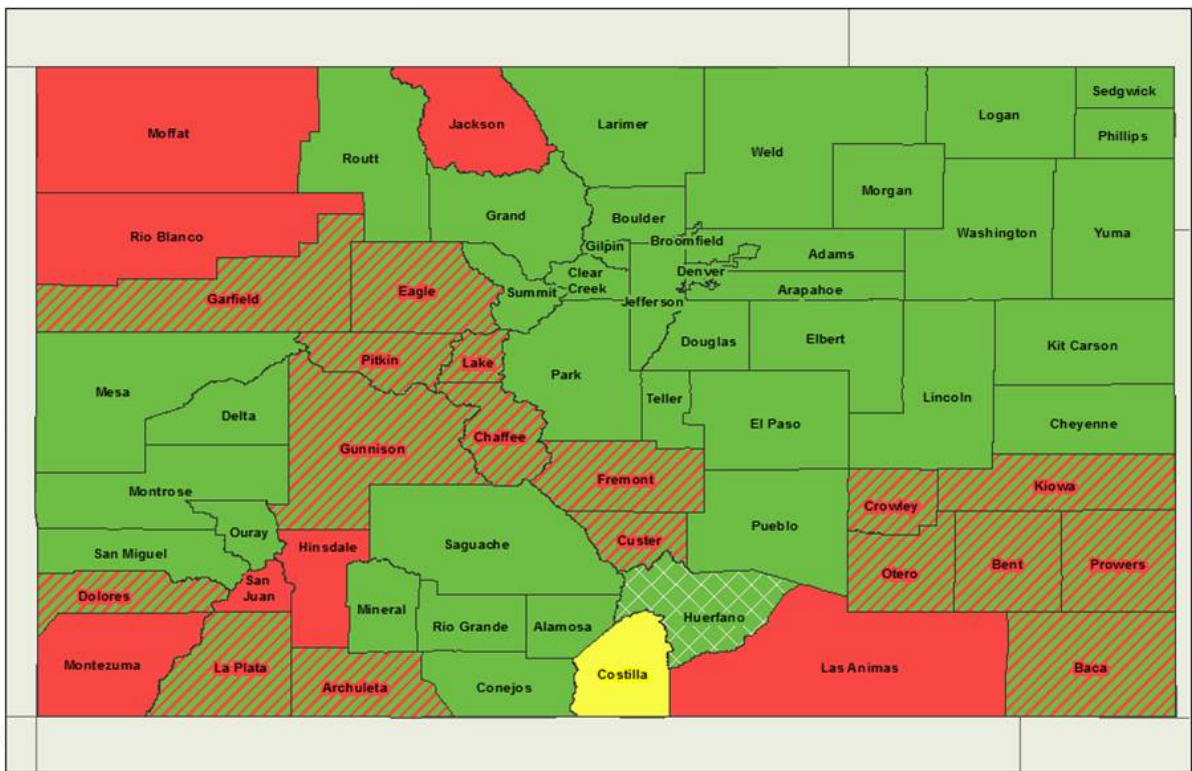
92%
of Colorado's
Population
Covered

61%
of Counties
with Approved
Plans



Map Date: 12/29/2011
Data Date: 12/10/2011
Produced by: CDEM
Data Source: Cens us
2010 by Colorado
Department of Local
Affairs, State
Demography Office
published June 2010

0 25 50 Miles



Plan Status	Counties	2010 Population (% total)
Approved Plan	39 (61%)	4,629,605 (92%)
Up for Revision	1 (2%)	3,524 (0%)
No Approved Plan	24 (37%)	369,067 (8%)
Total	64	5,029,196 (100%)

December 2011 Plan Status

- No Approved Plan
- Plan-Up for Revision
- Approved
- No Approved Plan- Planning in Progress
- Plan- Revision in Progress
- Approved- Pending Adoption

The mitigation team strategy for the upcoming state fiscal year is to:

- Work with the counties highlighted in red to develop strategies for successful mitigation planning.
- Work with the counties highlighted in yellow and green and get them into a regular five-year planning cycle.
- Encourage the counties that have current plans to develop mitigation project applications and seek funding.

The team believes this strategy will achieve the performance benchmark of 75% of Colorado counties with an approved and adopted plan. The team is also participating in the development of a risk management process to identify site specific locations with a higher probability of hazard occurrence with more severe impacts/consequences. Following this process, the CDEM risk manager, with support of the mitigation team will provide technical assistance on developing potential risk reduction solutions.