

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



SUPPLEMENTAL REQUESTS FOR FY 2008-09

DEPARTMENT OF LOCAL AFFAIRS

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:
Bernie Gallagher, JBC Staff
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For Further Information Contact:

Joint Budget Committee Staff
200 E. 14th Avenue, 3rd Floor
Denver, Colorado 80203
Telephone: (303) 866-2061
TDD: (303) 866-3472

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Prioritized Supplementals

**Supplemental Request, Department Priority #1
 Refinancing operating expenditures with indirect cost recoveries**

	Request	Recommendation
Total	<u>\$97,920</u>	<u>\$97,920</u>
General Fund	(97,920)	(97,920)
Cash Funds	19,174	19,174
Reappropriated Funds	176,666	176,666

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of an <i>unforeseen contingency</i> .	

Department Request: The Department requests an ongoing reduction of \$97,920 General Fund in operating expenses in the Executive Director's Office and a like increase in indirect costs recovered from the Division of Housing and the Division of Local Government.

Staff Analysis: Indirect costs are the overhead costs associated with the operation of departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded programs. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs and are collected within the Department on a 'per FTE' basis. Pursuant to a Joint Budget Committee policy, funding for indirect costs is addressed through the annual budget process. Thus, the estimated costs of a bill that are included in fiscal notes prepared by Legislative Council Staff do not accommodate indirect costs in the fiscal impact of the bill.

During the 2008 Legislative Session, the number of FTE in the Department was increased through the Long Bill and through two special bills. The Long Bill appropriated an additional 5.0 FTE to provide improve monitoring and payment processing in the Mineral and Energy Impact Program, within the Division of Local Government. Senate Bill 08-218 appropriated an additional 0.3 FTE to this same division to provide additional assistance for the distribution of federal mineral lease moneys to impacted counties. Finally, H.B. 08-1319 appropriated additional funding and 1.7 FTE to the Division of Housing to provide installation requirement assurance. Because these changes to the Department do not account for indirect costs, the Department is seeking an adjustment at the present time.

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Staff Recommendation: Staff recommends that the Committee approve the Department's supplemental request to make an ongoing reduction of \$97,920 General Fund in operating expenses in the Executive Director's Office and a like increase in indirect costs recovered from the Division of Housing and the Division of Local Government for FY 2008-09.

**Supplemental Request, Department Priority #2
 Refinancing communications services payments with federal funds**

	Request	Recommendation
Total	\$0	\$0
General Fund	(6,947)	(6,947)
Federal Funds	6,947	6,947

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of an <i>unforeseen contingency</i> .	

Department Request: The Department requests an ongoing refinancing of the Communication Services Payments line item with eligible federal funding. The proposal requests a reduction of \$6,497 General Fund and a like increase in federal funds.

Staff Analysis: The Communications Services line item represents the Department's share of the overhead related to the State's public safety communications infrastructure. In FY 2008-09, this line item was appropriated \$27,788, of which half is General Fund and remainder is from federal funds. The current federal funding source is the Chemical Stockpile Emergency Preparedness Program. The proposed supplemental request is to reduce the General Fund by \$6,497 and increase the line item's federal funding with a like amount from the federal Emergency Management Performance Grants (EMPG) program. The supplemental request does not completely eliminate the line item's General Fund appropriation as the EMPG program requires a state maintenance of effort.

Staff Recommendation: Staff recommends that the Committee approve the Department's supplemental request to reduce the Communication Services Payments line item by \$6,497 General Fund and refinance this line with a like increase in federal funds from the Emergency Management Performance Grants program for FY 2008-09.

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**Supplemental Request, Department Priority #3
 Reduction of General Fund associated with the Heritage Planning Grant Program**

	Request	Recommendation
General Fund	(\$65,560)	(\$138,000)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of an <i>unforeseen contingency</i> .	

Department Request: The Department requests that the General Fund for the Colorado Heritage Communities Grant Fund line item in the Division of Local Government, Field Services sub-division, be reduced by \$65,000 in FY 2008-09.

Staff Analysis: House Bill 00-1427 created the Office of Smart Growth in the Department of Local Affairs. The original legislation included \$735,485 General Fund for grants to communities to address critical planning/growth issues and to develop master plans. The program provides technical and financial assistance to communities to mitigate the impact of growth. Applications for grants are required to address critical planning issues, land use and development patterns, transportation planning, mitigation of environmental hazards, water banking, and energy use.

From FY 2003-04 to FY 2005-06 the General Fund for grants was eliminated as part of efforts to address the budget shortfall, but the Department continued to spend down the fund balance on grants awarded and encumbered in prior years. In FY 2006-07, the General Assembly appropriated \$200,000 General Fund for new grants. The same amount was appropriated for FY 2007-08 and FY 2008-09. In the current year, two grants have been awarded totaling \$62,000.

In the Division of Local Government, Field Services sub-division, there are two line items related to the Office of Smart Growth. The first line item ("Colorado Heritage Communities Fund") provides a transfer of General Fund moneys to the Colorado Heritage Communities Fund. The second line item provides spending authority for the Department to use moneys in the Fund for grant awards. The supplemental request from the Department is to reduce the General Fund appropriation, but maintain its \$200,000 spending authority out of the cash fund.

As of January 12, 2009, the Colorado Heritage Communities Fund has a fund balance of \$322,157, of which \$184,157 is encumbered, leaving an uncommitted fund balance of \$138,000.

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Staff Recommendation: Staff recommends that the Committee reduce the General Fund for the Colorado Heritage Communities Grant Fund line item in the Division of Local Government, Field Services sub-division, be reduced by \$138,000 for FY 2008-09.

**Supplemental Request, Department Priority #4
 Reduction of General Fund Exempt associated with Volunteer Firefighter Retirement Plans**

	Request	Recommendation
General Fund Exempt	(\$149,028)	(\$149,028)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of an <i>data that was not available when the original appropriation was made.</i>	

Department Request: The Department requests a reduction of \$149,028 General Fund Exempt from the Volunteer Firefighter Retirement Plans line item the Division of Local Government.

Staff Analysis: The Volunteer Firefighter Retirement Plans line item in the Division of Local Government reports the state's contribution to local volunteer firefighter retirement plans, as authorized by Section 31-30-1112 (2), C.R.S. The state's contribution is funded with moneys from the tax on insurance premiums outlined in Section 10-3-209, C.R.S., and is not subject to the six percent limit on General Fund appropriations. Since FY 2005-06, the General Assembly has identified as least a portion of this appropriation as coming from the General Fund Exempt account.

Pursuant to Section 31-30-1112 (2), C.R.S., state contributions to any municipality or district for volunteer firefighter pension plans must equal ninety percent of all amounts contributed by the municipality or district. Municipalities with populations of less than 100,000 may levy a tax of not more than one mill on the taxable property in the municipality, county, or district to fund their individual volunteer firefighter pension funds. Due to the variability of local governments' annual property valuation and actuarial need for contributions to their volunteer firefighter pension fund, local governments did not require as much match as projected for the current fiscal year. It has been the Department's experience in administering the volunteer firefighter pension match since 2004, that a variation of 1 to 2 percent can be expected in the total match contributed to local governments each year. Thus, for FY 2008-09, a remainder of \$149,028 exists that would have otherwise been reverted to the General Fund Exempt account at the end of the fiscal year.

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Staff Recommendation: Staff recommends that the Committee approve the Department's supplemental request to reduce the Volunteer Firefighter Retirement Plans line item the Division of Local Government by \$149,028 General Fund Exempt for FY 2008-09.

Supplemental Request, Department Priority #5

Department reduction of personal services as a result of the state hiring freeze

	Request	Recommendation
Total	(\$110,429)	(\$203,393)
FTE	<u>0.0</u>	<u>(5.0)</u>
General Fund	(19,129)	(32,770)
FTE	0.0	(0.7)
Cash Funds	(36,657)	(30,089)
FTE	0.0	(1.0)
Reappropriated Funds	(54,643)	(140,534)
FTE	0.0	(3.3)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC Staff and the Department agree that this request is the result of an <i>unforeseen contingency</i> .	

Department Request: The Department requests a one time reduction of \$110,429 in personal services appropriations for FY 2008-09 related to positions and contracts frozen by the Department. Of the requested reduction amount, \$19,129 is General Fund and \$91,300 is from cash fund sources. The request does not reflect any reductions in FTE authority associated with the requested personal services appropriation reduction.

Staff Analysis: The Department implemented the hiring freeze in October 2008 as directed by the Governor and has identified five positions affected by this action. The Department has identified savings associated with the funding for the following vacant positions, by division: (1) Division of Property Taxation - front desk support; (2) Division of Housing - manufactured housing support staff; and (3) Division of Local Government - purchasing officer, financial manager, and grants specialist.

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The OSPB's hiring freeze savings calculation makes two key assumptions: (1) the calculation is based on the date on which the Department would have expected a new hire to start in each position in the absence of the hiring freeze, *rather than the first day of the freeze or the date that such a position became vacant*; and (2) assumes that a pay date shift applies to all fund sources, and not just General Fund. Because the hiring freeze calculation applies a pay date shift to cash fund sources, additional savings are not recognized.

JBC staff, in coordination with the Department, has identified actual dates when the positions became vacant. Based on these actual vacancy dates and also removing the pay-date shift from the affected cash-funded positions, an additional \$92,964 in savings is recognized. Because the supplemental request does not include a requisite reduction in FTE for the requested amount in personal services to be reduced, staff has calculated that a 5.0 FTE reduction in FTE is commensurate for the amount of personal services that are being reduced as a result of the state hiring freeze. Of this FTE reduction, 0.7 FTE is from General Fund personal services and 4.3 FTE is from cash-funded personal services.

Staff Recommendation: Staff recommends a total department wide reduction of \$203,393 and 5.0 FTE in personal services for FY 2008-09. Of this amount, staff recommends that the Committee reduce the Department's reappropriated funds appropriation to the Division of Property Taxation line item in the Division of Property Taxation by \$37,051 and 1.0 FTE for FY 2008-09. For the Division of Housing, staff recommends the Committee reduce the cash funds appropriation to the Manufactured Buildings Program line item by \$30,089 and 1.0 FTE for FY 2008-09. For the Division of Local Government, Local Government and Community Services, Administration, Personal Services line item, staff recommends the Committee reduce the General Fund appropriation by \$22,216 and 0.5 FTE and the reappropriated funds appropriation by \$24,235 and 0.5 FTE. And, for the Division of Local Government, Field Services, Program Costs line item, staff recommends the Committee reduce the General Fund appropriation by \$10,554 and 0.2 FTE and the reappropriated funds appropriation by \$79,248 and 1.8 FTE.

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Non-Prioritized Supplementals

Statewide Common Policy Supplemental Requests

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

Department's Portion of Statewide Supplemental Request	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Management and Administration of OIT	\$5,671	(\$883)	(\$1,457)	\$8,011	\$0	0.0
Worker's Compensation	0	n/a	n/a	n/a	n/a	0.0
Administrative Law Judge Services	0	n/a	n/a	n/a	n/a	0.0
Purchase of Services from Computer Center	0	n/a	n/a	n/a	n/a	0.0
Multiuse Network Payments	0	n/a	n/a	n/a	n/a	0.0
Payment to Risk Management and Property Funds	0	n/a	n/a	n/a	n/a	0.0
Vehicle Lease Payments	0	n/a	n/a	n/a	n/a	0.0
Capitol Complex Leased Space	0	n/a	n/a	n/a	n/a	0.0
Communication Services Payments	0	n/a	n/a	n/a	n/a	0.0
Department's Total Statewide Supplemental Requests	\$5,671	(\$883)	(\$1,457)	\$8,011	\$0	0.0

Staff Recommendation: The staff recommendation for these requests is pending Committee approval of common policy supplementals. **Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the Committee approves this common policy supplemental.** If staff believes there is reason to deviate from the common policy, staff will appear before the Committee later to present the relevant analysis.

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Cash Fund Transfers

**Department Requested Transfer, OSPB #9
 Transfer from the Local Government Severance Tax Fund
 Statutory Change Required**

FY 2008-09	Request	Recommendation
Transfer from the Local Government Severance Tax Fund to the General Fund	\$15,000,000	\$15,000,000

Staff Analysis: The Local Government Severance Tax Fund receives 50 percent of the total gross receipts realized from the severance taxes imposed on minerals and mineral fuels, pursuant to Section 39-29-108 (2), C.R.S. Severance tax revenues, along with Federal Mineral Lease (FML) revenues, fund the Energy and Mineral Impact Assistance Program which provides state financial assistance "to political subdivisions socially or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels subject to taxation for the planning, construction, and maintenance of public facilities and for the provision of public services". The program is intended to assist communities impacted by the growth and the decline of mineral and energy industries.

Legislative Council Staff has estimated that the Local Government Severance Tax Fund will receive \$119 million in severance tax revenue in FY 2008-09, according to the Legislative Council Staff's Economic and Revenue Forecast, dated December 19, 2008. Of the moneys deposited into this fund, 70 percent (est. \$83.3 million) is allocated in the form of grants and loans by the Department. The remaining 30 percent (est. \$35.7 million) is distributed to counties using a weighted formula based on the proportion of mineral-industry related employees, mine and well permits issued, and quantity of mineral production in the state. The moneys received by the counties is then distributed to the sub-county level by another formula based on the proportion of mineral-industry related employees, population, and unincorporated area road miles.

At the local level, in FY 2007-08, the Energy and Mineral Impact Assistance Program awarded 359 grants for projects totaling \$103.8 million. The local contribution was \$331.0 million, for a total state and local investment of \$434.7 million. The Department indicates that through this program, the state has been able to leverage a three-to-one match with socially or economically impacted political sub-divisions. Thus, the request to reduce the Local Government Severance Tax Fund by \$15 million, could have a net reduction of approximately \$60 million in moneys available for projects related to planning, construction, and maintenance of public facilities and for the provision of public services in mineral-impacted counties. *If the supplemental request is denied, these moneys will be available to political sub-divisions for related projects.*

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At the state level, of the total \$207.1 million recommended transfer of uncommitted cash funds to the General Fund proposed by the Office of State Planning and Budgeting, the request to transfer \$15 million from the Local Government Severance Tax Fund, equates to 7.24 percent of the total transfer request in FY 2008-09. *If the supplemental request is approved, these moneys will assist the General Assembly with balancing the FY 2008-09 budget.* However, if the supplemental request is denied, the General Assembly will have to find a commensurate amount of funding elsewhere to assist with balancing the budget as a result of the state's revenue shortfall.

For Reference: Severance tax revenues are very volatile. In FY 2003-04, severance tax revenues were up 283.7 percent annually and climbed an additional 87.3 percent over the next two years, an increase of \$106.2 million. However, between FY 2005-06 and FY 2006-07, revenues fell 38.1 percent (\$89.2 million). According to Legislative Council Staff's December 2008 Economic and Revenue Forecast, between FY 2008-09 and FY 2009-10, severance tax revenues are expected to decrease by 67.4 percent or \$160.6 million. The following table provides severance tax revenue actuals and estimates. Despite these radical changes in annual revenues, the 5-year compound annual growth of 6.34 percent for the actual years (FY 2003-04 through 2007-08) tempers this volatility when looked at over a longer period of time.

Severance Tax Revenues		
Fiscal Year	\$ Millions	Annual Percent Change
2003-04	125.1	283.7%
2004-05	152.0	21.5%
2005-06	234.3	54.2%
2006-07	145.1	(38.1)%
2007-08 prelim.	170.1	17.2%
2008-09 est.	238.3	40.1%
2009-10 est.	77.6	(67.4)%
2010-11 est.	171.4	120.8%
2011-12 est.	208.3	21.5%

Staff Recommendation: Staff recommends that the Committee introduce legislation to transfer \$15 million from the Local Government Severance Tax Fund to the General Fund in FY 2008-09 to assist with balancing the budget as a result of the state's revenue shortfall.

The impact of this transfer is exhibited in the following table:

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Local Government Severance Tax Fund Department Request and Staff Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance ¹	\$162,109,524	\$145,696,537	\$141,223,729	\$73,519,716
Revenues ²	82,720,626	109,998,000	29,220,000	74,464,500
Expenditures ³	<u>(99,133,613)</u>	<u>(99,470,808)</u>	<u>(81,924,013)</u>	<u>(74,464,500)</u>
Ending FY Balance <i>without</i> transfer	\$145,696,537	\$156,223,729	\$88,519,716	\$73,519,716
Proposed Transfer	<u>0</u>	<u>(15,000,000)</u>	<u>(15,000,000)</u>	<u>0</u>
Ending Balance <i>after</i> transfer	\$145,696,537	\$141,223,729	\$73,519,716	\$73,519,716
Commitments and Set-asides (Informational) ³	(96,721,738)	(103,149,000)	(73,519,716)	(73,519,716)
Ending Liquid Balance after Commitments and Set-asides (Informational)	\$48,974,799	\$38,074,729	\$0	\$0

¹ The beginning balance includes multi-year commitments and prior year set asides for uranium mill tailings remedial action.

² The Department request is based on the OSPB's FY 08-09 forecast estimates, however the estimates used in the table reflect Legislative Council Staff Severance Tax Revenue Forecast by Source (December 2008), *less interest earnings*.

³ Staff assumes expenditures, commitments, and set-aside estimates for FY 2009-10 and FY 2010-11 will be adjusted to accommodate volatile severance tax revenues. The department request did not include FY 2010-11 estimates, thus staff used the Department's FY 2009-10 estimates for FY 2010-11. Staff assumes the estimated expenditures for out years will be adjusted to be commensurate with revenues and will maintain a liquid fund balance to adequately fund all commitments and set-asides.

**Department Requested Transfer, OSPB #18
 Transfer from the Local Government Limited Gaming Impact Fund
 Statutory Change Required**

FY 2008-09	Request	Recommendation
Transfer from the Local Government Limited Gaming Impact Fund to the General Fund	\$950,000	\$950,000

Staff Analysis: The Local Government Limited Gaming Impact Fund receives 6.5 percent of the total gross receipts realized from the state tax levied on the adjusted gross proceeds of limited gaming. Of the moneys deposited into the fund, 2 percent is set aside for the provision of gambling addiction counseling, with the bulk of the moneys to be used to provide financial assistance to designated local governments for documented gaming impacts. For the current year, the Legislative Council Staff's December 2008 Economic and Revenue Forecast estimates the state will generate

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\$94.3 million in revenue from limited gaming, an annual decrease of 17 percent. Of this amount, the Local Government Limited Gaming Impact Fund will receive approximately \$6.1 million. For perspective, in FY 2007-08, the Department awarded \$6.9 million to 50 projects related to the impact that gambling has on the communities in which it operates, including projects related to law enforcement, judicial system impacts, gambling addiction, rescue, child neglect, alcoholism, and public safety equipment and training.

At the state level, of the total \$207.1 million recommended transfer of uncommitted cash funds to the General Fund proposed by the Office of State Planning and Budgeting, the request to transfer \$950,000 from the Local Government Limited Gaming Impact Fund, equates to 0.46 percent of the total transfer request in FY 2008-09. *If the supplemental request is approved, these moneys will assist the General Assembly with balancing the FY 2008-09 budget.* However, if the supplemental request is denied, the General Assembly will have to find a commensurate amount of funding elsewhere to assist with balancing the budget as a result of the state's revenue shortfall.

Staff Recommendation: Staff recommends that the Committee introduce legislation to transfer \$950,000 from the Local Government Limited Gaming Impact Fund to the General Fund in FY 2008-09 to assist with balancing the budget as a result of the state's revenue shortfall.

The impact of this transfer is exhibited in the following table:

Local Government Limited Gaming Impact Fund Department Request and Staff Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$12,260,477	\$13,455,987	\$9,606	\$6,379,586
Revenues	6,538,460	6,966,339	7,369,980	7,874,054
Expenditures	<u>(5,342,950)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending FY Balance <i>without</i> transfer	\$13,455,987	\$20,422,326	\$7,379,586	\$14,253,640
Proposed Transfer	<u>0</u>	<u>(950,000)</u>	<u>(1,000,000)</u>	<u>0</u>
Ending Balance <i>after</i> transfer	\$13,455,987	\$19,472,326	\$6,379,586	\$14,253,640
Commitments (Informational)	0	(19,462,720)	0	0
Ending Liquid Balance after Commitments (Informational)	\$13,455,987	\$9,606	\$6,379,586	\$14,253,640

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Other Balancing Options

These options are presented without staff recommendation in order to maximize the Committee's choices. The Committee may wish to consider these options now or in the future.

Numbering does not indicate priority.

Options with <i>Appropriation</i> Impacts	GF	CF	RF	FF	Total	FTE
<p>1</p> <p>Colorado Affordable Housing Construction Grants and Loans</p> <p>This program provides state funding for grants and loans for the rehabilitation, acquisition, and maintenance of affordable, safe, sanitary housing for low-income households. In FY 2008-09, this program was appropriated \$2.25 million. Prior to the current year, this line item has as much as \$4.57 million in FY 2002-03, however mid-year funding was eliminated due to the state's economic downturn. Funding returned to this line item in FY 2004-05, however at a reduced level of \$100,000.</p>					0	
<p>2</p> <p>Eliminate General Fund Maintenance of Effort</p> <p>The Department is required to provide a state-funded match for three programs. The Community Services Block Grant provides approximately \$6.8 million in funding to local communities for housing, public facility, and business assistance projects that benefit primarily low to moderate income individuals through community development projects. A state match is required for administrative costs, which is approximately \$200,000. The Emergency Management Performance Grants require a dollar-for-dollar state match, which for FY 2008-09 was \$501,756. This program assists state and local governments to sustain and enhance all-hazards emergency management capabilities. The third program is the Pre-Disaster Mitigation Grant program which requires a 25 percent state match. This program is for projects that reduce risk from natural or man-made hazards, prior to the occurrence of a disaster.</p>					0	

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Options with <i>Revenue Impacts</i>	GF	CF	RF	FF	Total	FTE
<p>1</p> <p>Transfer from the Local Government Mineral Impact Fund</p> <p>The Department submitted a proposal to transfer moneys from the Local Government Mineral Impact Fund to the General Fund, but requested a \$0 transfer. The Office of State Planning and Budgeting (OSPB) has indicated that the proposal was submitted as a zero dollar transfer on January 15, 2009, as the executive branch would not have sufficient data to make a decision until January 20, 2009. The OSPB has indicated that it is not requesting any transfer at this time. The uncommitted fund balance as of January 23, 2009, is \$3.2 million, which could be transferred to the General Fund to assist with balancing the budget as a result of the state's revenue shortfall. The Local Government Mineral Impact Fund receives 41.7 percent of non-bonus (royalty & rents) federal mineral lease revenues. Of this amount, 1.7 percent is directly distributed to school districts, 20 percent is directly distributed to counties, and 20 percent is awarded by the Department in the form of grants. The Legislative Council Staff's December 2008 Economic and Revenue Forecast estimates the state will receive \$296.6 million in FY 2008-09, an annual increase of 93.1 percent. Of this amount the Department will receive approximately \$59.3 million in FML moneys to be distributed as grants to political subdivisions socially or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels subject to taxation for the planning, construction, and maintenance of public facilities and for the provision of public services.</p>					0	
<p>2</p> <p>Transfer various cash funds to the General Fund</p> <p>Transfers fund balances from various cash funds within the Department. As of January 23, 2009, staff has identified approximately \$26.3 million in fund balance that could potentially be transferred to the General Fund. Cash fund sources include the following: severance tax revenue, federal mineral lease revenues, limited gaming revenues, Housing Rehabilitation Revolving Loans Fund, Waste Tire Clean Up Fund, Moffat Tunnel Cash Fund, and the Search and Rescue Fund.</p>					0	

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
DEPARTMENT OF LOCAL AFFAIRS					
Executive Director - Susan E. Kirkpatrick					
Supplemental #1 - Refinancing operating expenditures with indirect cost recoveries					
<i>(1) Executive Director's Office</i>					
Operating Expenses	<u>154,977</u>	<u>144,175</u>	<u>0</u>	<u>0</u>	<u>144,175</u>
General Fund	0	132,413	(97,920)	(97,920)	34,493
Cash Funds Exempt / Reappropriated Fund	130,309	0	0	97,920	97,920
Federal Funds	24,668	11,762	97,920	0	11,762
<i>(3) Division of Housing</i>					
Indirect Cost Assessment	<u>472,174</u>	<u>311,917</u>	<u>19,174</u>	<u>19,174</u>	<u>331,091</u>
Cash Funds	160,786	134,113	19,174	19,174	153,287
Cash Funds Exempt / Reappropriated Fund	31,996	23,542	0	0	23,542
Federal Funds	279,392	154,262	0	0	154,262
<i>(4) Division of Local Government</i>					
Indirect Cost Assessment	<u>483,787</u>	<u>610,467</u>	<u>78,746</u>	<u>78,746</u>	<u>689,213</u>
Cash Funds	50,134	125,645	0	0	125,645
Cash Funds Exempt / Reappropriated Fund	337,349	353,397	78,746	78,746	432,143
Federal Funds	96,304	131,425	0	0	131,425

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Total for Supplemental #1	<u>1,110,938</u>	<u>1,066,559</u>	<u>97,920</u>	<u>97,920</u>	<u>1,164,479</u>
General Fund	0	132,413	(97,920)	(97,920)	34,493
Cash Funds	210,920	259,758	19,174	19,174	278,932
Cash Funds Exempt / Reappropriated Fund	499,654	376,939	78,746	176,666	553,605
Federal Funds	400,364	297,449	97,920	0	297,449
Supplemental #2 - Refinancing communication services payments with federal funds					
<i>(1) Executive Director's Office</i>					
Communication Services Payments	<u>26,606</u>	<u>27,788</u>	<u>0</u>	<u>0</u>	<u>27,788</u>
General Fund	13,303	13,894	(6,947)	(6,947)	6,947
Federal Funds	13,303	13,894	6,947	6,947	20,841
Supplemental #3 - Reduction of General Fund associated with the Heritage Planning Grant Program					
<i>(4) Division of Local Government, (B) Field Services</i>					
Colorado Heritage Communities Grant					
Fund - GF	200,000	200,000	(65,560)	(138,000)	62,000
Supplemental #4 - Reduction of General Fund associated with Volunteer Firefighter Retirement Plans					
<i>(4) Division of Local Government, (A) Local Government and Community Services</i>					
Volunteer Firefighter Retirement Plans -	4,025,790	4,163,651	(149,028)	(149,028)	4,014,623

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #5 - Department reduction of personal services as a result of the state hiring freeze					
<i>(2) Property Taxation</i>					
Division of Property Taxation	2,935,030	2,729,557	(21,613)	(37,051)	2,692,506
FTE	<u>36.4</u>	<u>38.5</u>	<u>0.0</u>	<u>(1.0)</u>	<u>37.5</u>
General Fund	1,416,586	1,305,288	0	0	1,305,288
FTE	15.7	15.7	0.0	0.0	15.7
Cash Funds	684,846	672,172	(21,613)	0	672,172
FTE	11.1	11.1	0.0	0.0	11.1
Reappropriated Funds/Cash Funds Exempt	833,598	752,097	0	(37,051)	715,046
FTE	9.6	11.7	0.0	(1.0)	10.7
<i>(3) Division of Housing, (A) Administration</i>					
Manufactured Buildings Program - CF	1,085,481	1,168,644	(15,044)	(30,089)	1,138,555
FTE	9.9	11.7	0.0	(1.0)	10.7
<i>(4) Division of Local Government, (A) Local Government and Community Services, (1) Administration</i>					
Personal Services	1,665,573	1,550,534	(15,624)	(46,451)	1,504,083
FTE	<u>19.0</u>	<u>20.4</u>	<u>0.0</u>	<u>(1.0)</u>	<u>19.4</u>
General Fund	951,543	874,844	(9,565)	(22,216)	852,628
FTE	10.3	10.3	0.0	(0.5)	9.8
Reappropriated Funds/Cash Funds Exempt	509,700	494,953	(6,059)	(24,235)	470,718
FTE	6.4	7.0	0.0	(0.5)	6.5
Federal Funds	204,330	180,737	0	0	180,737
FTE	2.3	3.1	0.0	0.0	3.1

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>(4) Division of Local Government, (B) Field Services</i>					
Program Costs	2,230,882	2,327,999	(58,148)	(89,802)	2,238,197
FTE	<u>20.6</u>	<u>28.6</u>	<u>0.0</u>	<u>(2.0)</u>	<u>26.6</u>
General Fund	546,085	473,264	(9,564)	(10,554)	462,710
FTE	5.2	4.9	0.0	(0.2)	4.7
Cash Funds	0	97,308	0	0	97,308
FTE	0.0	1.0	0.0	0.0	1.0
Reappropriated Funds/Cash Funds Exempt	1,336,885	1,436,816	(48,584)	(79,248)	1,357,568
FTE	12.8	17.8	0.0	(1.8)	16.0
Federal Funds	347,912	320,611	0	0	320,611
FTE	2.6	4.9	0.0	0.0	4.9
Total for Supplemental #5 - Hiring Freeze	7,916,966	7,776,734	(110,429)	(203,393)	7,573,341
FTE	<u>85.9</u>	<u>99.2</u>	<u>0.0</u>	<u>(5.0)</u>	<u>94.2</u>
General Fund	2,914,214	2,653,396	(19,129)	(32,770)	2,620,626
FTE	31.2	30.9	0.0	(0.7)	30.2
Cash Funds	1,770,327	1,938,124	(36,657)	(30,089)	1,908,035
FTE	21.0	23.8	0.0	(1.0)	22.8
Reappropriated Funds/Cash Funds Exempt	2,680,183	2,683,866	(54,643)	(140,534)	2,543,332
FTE	28.8	36.5	0.0	(3.3)	33.2
Federal Funds	552,242	501,348	0	0	501,348
FTE	4.9	8.0	0.0	0.0	8.0

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Totals Excluding Pending Items					
Department of Local Affairs					
Totals for ALL Departmental line items	312,655,779	263,753,937	(227,097)	(392,501)	263,361,436
FTE	<u>176.0</u>	<u>180.5</u>	<u>0.0</u>	<u>(5.0)</u>	<u>175.5</u>
General Fund	11,600,906	12,778,187	(338,584)	(424,665)	12,353,522
<i>General Fund Exempt (Included in GF)</i>	<i>3,766,480</i>	<i>4,193,651</i>	<i>(149,028)</i>	<i>(149,028)</i>	<i>4,044,623</i>
Cash Funds	84,717,387	190,796,121	(17,483)	(10,915)	190,785,206
Reappropriated Funds/Cash Funds Exempt	123,128,891	5,288,590	24,103	36,132	5,324,722
Federal Funds	93,208,595	54,891,039	104,867	6,947	54,897,986
Statewide Common Policy Supplementals					
(see narrative for more detail)	<u>N.A.</u>	<u>N.A.</u>	<u>5,671</u>	<u>Pending</u>	<u>N.A.</u>
General Fund			(883)		
Cash Funds			(1,457)		
Reappropriated Funds/Cash Funds Exempt			8,011		

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Totals Including Pending Items					
Department of Local Affairs					
Totals for ALL Departmental line items	316,422,259	267,947,588	(221,426)	(392,501)	267,555,087
FTE	<u>176.0</u>	<u>180.5</u>	<u>0.0</u>	<u>(5.0)</u>	<u>175.5</u>
General Fund	11,600,906	12,778,187	(339,467)	(424,665)	12,353,522
<i>General Fund Exempt (Included in GF)</i>	<i>3,766,480</i>	<i>4,193,651</i>	<i>(149,028)</i>	<i>(149,028)</i>	<i>4,044,623</i>
Cash Funds	84,717,387	190,796,121	(18,940)	(10,915)	190,785,206
Reappropriated Funds/Cash Funds Exempt	123,128,891	5,288,590	32,114	36,132	5,324,722
Federal Funds	93,208,595	54,891,039	104,867	6,947	54,897,986

Key:

N.A. = Not Applicable or Not Available