Colorado General Assembly
Joint Budget Committee

Joint Budget Committee Staff
FY 2013-14 Budget Briefing Summary
Department of Local Affairs

The Department of Local Affairs is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. Major divisions include the Executive Director's Office, Property Taxation, the Division of Housing, and the Division of Local Governments. The Department's FY 2012-13 appropriation represents 15.9 percent of statewide operating appropriations and 0.15 percent of statewide General Fund appropriations.

FY 2012-13 Appropriation and FY 2013-14 Request

	Department of Local Affairs					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1339 (Long Bill)	$347,313,310	$11,478,263	$210,897,351	$7,479,574	$117,458,122	191.1
HB 12-1283 (Wildfire Response Consolidation)	(20,075,990)	(380,575)	(4,510,988)	(349,977)	(14,834,450)	(27.9)
HB 12-1246 (Paydate Shift)	793	793	0	0	0	0.0
TOTAL	**$327,238,113**	**$11,098,481**	**$206,386,363**	**$7,129,597**	**$102,623,672**	**163.2**
FY 2013-14 Requested Appropriation:						
FY 2012-13 Appropriation	$327,238,113	$11,098,481	$206,386,363	$7,129,597	$102,623,672	163.2
R-1 Additional Affordable Housing Units	2,000,000	2,000,000	0	0	0	0.0
R-2 Assistance to Rural Communities	3,000,000	3,000,000	0	0	0	1.0
R-3 Fort Lyon Transitional Community	2,740,852	2,740,852	0	0	0	0.0
NPI-1 OIT Enterprise Asset Management	3,099	3,099	0	0	0	0.0
NPI-2 Employee Engagement Survey Adjustment	383	356	24	3	0	0.0
NPI-3 Capital Complex Building Upgrades	34,541	13,147	2,010	19,384	0	0.0
Centrally Appropriated Line Items	915,447	(75,640)	85,569	809,981	95,537	0.0
TOTAL	**$335,932,435**	**18,780,295**	**$206,473,966**	**$7,958,965**	**$102,719,209**	**164.2**
Increase/(Decrease)	$8,694,322	$7,681,814	$87,603	$829,368	$95,537	1.0
Percentage Change	2.7%	69.2%	0.0%	11.6%	0.1%	0.6%

Summary of Issues Presented to the Joint Budget Committee

R1-Additional Affordable Housing Units: The Department of Local Affairs is requesting $2.0 million General Fund to provide additional affordable housing units for workforce needs and lower income families. The Department would utilize the $2.0 million General Fund in order to leverage private activity bonds and finance the development of 1,200 new rental units per year, of which 800 will be designated affordable units for workforce needs and lower income families.

R2-Economic Development Assistance to Rural Communities: The Department is requesting $3.0 million General Fund and 1.0 FTE within the Division of Local Governments for the administration of a grant program to grow and diversify the economies of rural communities, with an emphasis on those communities that depend on a single large employer such as a state prison. These communities face the prospect of a potentially irreversible decline if an industry shutters or significantly curtails operations. If implemented, the request would create a new grants program to provide job training for both existing and new employees, diversify the economic base, and soften the impact of a closure in targeted communities

R3-Fort Lyon Transitional Community: The Department of Local Affairs, in collaboration with the Department of Corrections, Department of Human Services, and Department of Health Care Policy and Financing, is requesting $2,740,852 million General Fund in FY 2013-14 to pay for case management, substance abuse treatment costs, limited medical care, and the operations and maintenance of a transitional therapeutic residential treatment community for up to 200 homeless individuals at Fort Lyon. The request would annualize to $3,175,852 General Fund for FY 2014-15, as the resident population at the facility would grow to 300 chronically homeless individuals.

Federal Budget Sequestration: In August 2011, bipartisan majorities in both the U.S. House of Representatives and Senate voted for the *Budget Control Act of 2011 (BCA)*. The legislation required budget sequestration beginning in federal fiscal year (FFY) 2013 pursuant to section 251A of the *Balanced Budget and Emergency Deficit Control Act of 1985*, as amended. This sequestration, should it occur, is the result of the failure of the Joint Select Committee on Deficit Reduction to propose, and Congress to enact, legislation reducing the deficit by $1.2 trillion, as required by the BCA. The Department estimates that its federally funded community development and affordable housing programs may lose up to $2.6 million in FFY 2012-13

Performance Audit-Board of Assessment Appeals: A December 2011 performance audit of the Board of Assessment Appeals found that the Board is not always timely in processing county property tax assessment appeals and issuing decisions. Because of this, the audit states that the Board should clarify timeliness requirements, take into account case complexity, ensure parties appropriately exchange adequate information prior to hearings, improve information available to petitioners, establish a training program for Board members, and reevaluate its fee structure. The Board of Assessment Appeals agreed to implement all recommendations.

Appropriations Tied to Fire Response/Recovery: House Bill 12-1283 consolidates the State's fire prevention and control and homeland security and emergency management functions, personnel, and resources within the Department of Public Safety. The legislation:

- Eliminates the Office of Preparedness, Security, and Fire Safety and moves all of its former functions to the Division of Fire Prevention and Control;
- Transfers to the Division of Fire Prevention and Control the powers and obligations relating to fire preparedness, response, suppression, coordination, and management vested previously in the State Forest Service;
- Codifies the consolidation of Colorado's homeland security functions, personnel, and resources, enacted under Executive Order D 2011-030 into a new Division of Homeland Security and Emergency Management, consisting of the Office of Emergency Management, Office of Prevention and Security, and Office of Preparedness;
- Eliminates DOLA's Division of Emergency Management and transfers its functions, personnel, and resources to the newly created Division of Homeland Security and Emergency Management; and
- Moves appropriations from the Governor's Office, Department of Higher Education, Department of Local Affairs, and Department of Public Health and Environment into the new Division of Fire Prevention and Control and the new Division of Homeland Security and Emergency Management.

For More Information

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To read the entire briefing: http://www.state.co.us/gov_dir/leg_dir/jbc/2012-13/locbrf.pdf