Public Trustee
Association
Of Colorado
serving Colorado since 1894

Attachment B

Please Oppose SB13-022 County Treasurer Becoming Public Trustee (Lambert/Scott)

Please Oppose HB13-1049 Public Trustees in First & Second Class Counties (Lambert/Scott)

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Public Trustee Association of Colorado Opposes SB13-022 and HB13-1049

- The bill would **not produce savings** in staffing. Each Appointed Public Trustee is a working supervisor with primary duties in the Office, and manages staff size to be appropriate for the workload. The work – reviewing foreclosure filings and releasing paid-off liens – is daily and constant. The workload could not be absorbed by existing Treasurer staff unless the Treasurer's Office has idle personnel, in which case savings could be generated in that Office without this bill.
- The bill would **not produce savings** in payroll. The staff would be retained as a branch in the Treasurer's Office, at the same pay. The salary of the appointed Public Trustee would be divided, such that $12,500 would be paid to the elected Treasurer as an increase in salary, and $60,000 would remain to pay the branch supervisor. Such supervisors typically earn about $90,000 in large counties, $80,000 in El Paso. The County would need to pay the supervisor's additional salary, plus salary-related benefits, at as much as $37,500 per year per county.
- The bill would **not produce savings** in operating expenses. Any savings that can be gained via the counties providing services and benefits can be realized through cooperation between County and Public Trustee, without this bill. This relationship already exists in Adams, Douglas, El Paso, and Jefferson counties, and is in the process of being improved in Boulder, Mesa, and Weld counties. The bill would actually cost some counties money, as certain savings now realized on the private market would be lost.
- The bill would **reduce consistency, accountability and transparency**. There is no statewide regulation or supervision of the Public Trustees' duties under Title 38. Currently, 10 of the 11 most populous counties in Colorado, comprising 72% of the population and a similar proportion of the workload, are accountable to the Governor of Colorado. The Governor's supervision of these 10 Public Trustees ensures that laws and policies are correctly and consistently executed in those 10 counties, and the weight of that example influences the other 54 Public Trustees. These bills would remove policy oversight in some or all of those Counties, allowing each of these county Treasurers to interpret and apply this statewide law as he or she sees fit. This reduction in accountability will reduce the consistency of the entire statewide system, which is bad for Colorado citizens.
- In 2011, 30 of the 52 counties with Treasurer/Trustees had less than 1 foreclosure filing per week. In 2011, El Paso County had 70 per week. **A model that works in smaller counties may not work as well in large counties**.

Please see reverse side for additional information relative to Public Trustees.

THE FACTS REGARDING COLORADO'S APPOINTED PUBLIC TRUSTEES

Accountability/Transparency:

- Ten Public Trustees (Adams, Arapahoe, Boulder, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo and Weld counties) are appointed, and serve at the pleasure of, the Governor. They are fully accountable to the Governor for office business practices and financial transactions. The Governor has demonstrated that any misconduct by appointed Public Trustees will be swiftly corrected without waiting for an intervening election.
- Appointed Public Trustees must meet the educational and experience requirements set forth in CRS 38-37-102.
- All Public Trustees file quarterly reports of their financial transactions with their Board of County Commissioners (pursuant to CRS 38-37-104(3)); those reports are a "full and complete statements under oath of all transactions of the office..." For added transparency, the appointed Public Trustees also file those reports with the Division of Local Government in the Department of Local Affairs, and the Governor's Office, as they report to the Governor "at such times and on such matters as the Governor may require" pursuant to CRS 38-37-104(5).
- Pursuant to CRS 38-37-104(6), (7), and (8), each Public Trustee adopts a budget pursuant to the Local Government Budget Law, is subject to an annual audit, and follows state and county procurement codes.

Budget/Financial Transactions:

- Public Trustees' offices are "fee funded" and are NOT funded with tax dollars.
- Fees received by the Public Trustee are used to pay all "necessary and reasonable" expenses of the office, including staff wages and benefits. Revenue remaining in excess of such expenses go to the County General Fund to be mingled with tax and other County revenues.
- Appointed Public Trustees only procure services and office space from 3rd parties, or provide separate employee benefits, when their counties do not allow them to participate or it is more cost-effective to use the market.
- Where Public Trustees receive benefits and services from the host County, including payroll, the Public Trustee reimburses the County for those services provided.