



Colorado General Assembly  
Joint Budget Committee

# Joint Budget Committee Staff

## FY 2016-17 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. The Department's FY 2015-16 appropriation represents 1.2 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

## FY 2015-16 Appropriation and FY 2016-17 Request

Department of Local Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2015-16 Appropriation</b>						
SB 15-234 (Long Bill)	\$319,746,653	\$23,257,038	\$209,158,832	\$10,454,738	\$76,876,045	169.7
Other legislation	<u>472,897</u>	<u>369,186</u>	<u>71,342</u>	<u>32,369</u>	<u>0</u>	<u>1.8</u>
<b>TOTAL</b>	<b>\$320,219,550</b>	<b>\$23,626,224</b>	<b>\$209,230,174</b>	<b>\$10,487,107</b>	<b>\$76,876,045</b>	<b>171.5</b>
<b>FY 2016-17 Requested Appropriation</b>						
FY 2015-16 Appropriation	\$320,219,550	23,626,224	\$209,230,174	\$10,487,107	\$76,876,045	171.5
R1 Ft. Lyon Residential Community*	0	0	0	0	0	0.0
NP1 Annual fleet vehicle request	16,844	15,160	0	1,684	0	0.0
NP2 OIT Secure Colorado	5,640	0	0	5,640	0	0.0
Annualize prior year legislation	753,737	(304,232)	75,477	982,492	0	0.8
Centrally appropriated line items	334,960	6,715	28,322	153,618	146,305	0.0
Annualize prior year budget actions	(8,031)	(2,577)	(904)	(2,981)	(1,569)	0.1
Other technical adjustments	<u>(39,016)</u>	<u>29,859</u>	<u>(65,692)</u>	<u>(3,426)</u>	<u>243</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$321,283,684</b>	<b>\$23,371,149</b>	<b>\$209,267,377</b>	<b>\$11,624,134</b>	<b>\$77,021,024</b>	<b>172.4</b>
<b>Increase/(Decrease)</b>	\$1,064,134	(\$255,075)	\$37,203	\$1,137,027	\$144,979	0.9
Percentage Change	0.3%	(1.1%)	0.0%	10.8%	0.2%	0.5%

\*The request includes \$1,765,786 from the Marijuana Tax Cash Fund and 1.0 FTE for the Fort Lyon Supportive Residential Community that is requested to be authorized in separate legislation.

## Summary of Issues Presented to the Joint Budget Committee

**Fort Lyon Supportive Residential Community:** The Department of Local Affairs requests \$1.7 million in Marijuana Tax Cash Funds, as well as ongoing support of \$3.2 million General Fund, to maintain the Fort Lyon

Supportive Residential Community in FY 2016-17. The program is unable to access federal support pending a determination by federal authorities of whether the facility is an “institution for mental disease”.

**Affordable Housing Priorities and Conditional Request for Housing Vouchers:** In the FY 2015-16 Long Bill, the General Assembly expressed its intent that state affordable housing appropriations should be targeted to projects that can be reasonably expected to reduce other state costs. The Department has indicated that this is also one of its goals. However, its housing outcomes measures do not currently address state cost-savings. It appears to have credible information on the net savings from one program (Colorado Choice Transitions vouchers), but a request for increased funding for this program is identified as “conditioned” on additional state General Fund revenue.

**Local Government Severance Tax and Federal Mineral Lease Funding:** Fifty percent of all severance tax revenues and over 40 percent of the state’s share of federal mineral lease revenues are distributed by the Department of Local Affairs to local governments via direct distributions and grants. FY 2015-16 receipts to the Local Government Severance Tax Fund and Local Government Mineral Impact Fund are, in total, projected to fall from \$199.4 million in FY 2014-15 to \$104.2 million in FY 2015-16. Most of the impact of this decline will be felt by local governments in FY 2016-17. The General Assembly has in the past transferred energy impact grant funds to the General Fund to balance the budget.

**State Auditor’s Audit of Local Government Limited Gaming Impact Grants:** The State Auditor’s Office completed an audit of the Local Government Limited Gaming Impact program in August 2015. This program received \$4.9 million of the \$111.5 million in FY 2014-15 state limited gaming tax revenue. The audit identified concerns with program documentation, process and transparency. While these concerns are being addressed, the audit findings could raise additional questions about the program’s structure.

## For More Information

**JBC Staff Analyst:** Amanda Bickel  
(303) 866-4960  
[amanda.bickel@state.co.us](mailto:amanda.bickel@state.co.us)

**To read the entire briefing:** [http://www.tornado.state.co.us/gov\\_dir/leg\\_dir/jbc/2015-16/locbrf.pdf](http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/2015-16/locbrf.pdf)