



Colorado General Assembly
Joint Budget Committee

Joint Budget Committee Staff

FY 2015-16 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 2014-15 appropriation represents 1.3 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

FY 2014-15 Appropriation and FY 2015-16 Request

Department of Local Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$308,503,775	\$20,751,294	\$209,046,471	\$8,410,418	\$70,295,592	167.8
Other legislation	<u>1,754,143</u>	<u>904,145</u>	<u>(352)</u>	<u>850,350</u>	<u>0</u>	<u>0.6</u>
TOTAL	\$310,257,918	\$21,655,439	\$209,046,119	\$9,260,768	\$70,295,592	168.4
FY 2015-16 Requested Appropriation						
FY 2014-15 Appropriation	\$310,257,918	21,655,439	\$209,046,119	\$9,260,768	\$70,295,592	168.4
R1 Building Regulation Fund structural deficit resolution	250,000	250,000	0	0	0	0.0
R2 Colorado Main Street Program	462,500	0	0	462,500	0	0.0
R3 Improve statutory compliance	61,150	61,150	0	0	0	0.9
R4 Housing development grants	3,420,000	3,420,000	0	0	0	0.0
Centrally appropriated line items	888,002	433,691	49,255	287,881	117,175	0.0
Annualize prior year legislation and requests	134,031	8,498	38,313	99,731	(12,511)	0.4
NP1 Annual fleet request	<u>11,315</u>	<u>10,184</u>	<u>0</u>	<u>1,131</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$315,484,916	\$25,838,962	\$209,133,687	\$10,112,011	\$70,400,256	169.7
Increase/(Decrease)	\$5,226,998	\$4,183,523	\$87,568	\$851,243	\$104,664	1.3
Percentage Change	1.7%	19.3%	0.0%	9.2%	0.1%	0.8%

Summary of Issues Presented to the Joint Budget Committee

Request R1 - Building Regulation Fund Deficit: The Department of Local Affairs requests \$250,000 General Fund in FY 2015-16 and approximately \$64,000 General Fund in FY 2014-15 to address a structural deficit in the Building Regulation Fund (Fund). This Fund supports the Department's inspection and certification of factory-built residential and commercial structures. Since statute requires that the Fund cover the program's direct and indirect costs, a statutory change would be required. Alternatively, the General Assembly could repay the Fund for moneys transferred to the General Fund in FY 2008-09.

Affordable Housing Programs: The Department of Local Affairs provides gap-financing for affordable housing projects from state and federal sources and administers affordable housing vouchers that subsidize tenant rents in apartments statewide. This support represents only a small piece of the statewide affordable housing landscape. Most affordable housing support is administered at the local level.

Request R-4 - Housing Development Grants: The Department of Local Affairs requests an increase of \$3.4 million General Fund in its Affordable Housing Grants and Loans line item. This would bring state assistance in this line item up to \$11.6 million General Fund for FY 2015-16. The Department proposes to use the additional funding to support 300 new affordable housing units and 200 rental vouchers.

Local Government Severance and Federal Mineral Lease Funding: The Department of Local Affairs oversees direct distributions and grant allocations to local governments from severance tax and federal mineral lease revenues. This includes an estimated \$231 million in direct distributions and new grants anticipated to be awarded in FY 2014-15 and an estimated \$203 million in direct distributions and new grant awards in FY 2015-16.

Roan Plateau Settlement: The Governor's Office is requesting \$8.0 million General Fund be set aside for legislation to backfill anticipated reductions in Federal Mineral Lease (FML) Revenue. The oil and gas industry, environmental groups, and the federal Bureau of Land Management are in the process of settling a longstanding legal dispute over drilling on the Roan Plateau. As part of the anticipated settlement, a portion of the FML bonus payments received by Colorado in FY 2008-09 would be refunded to leaseholders. The Governor's request is to ensure that local governments that benefit from FML allocations are not negatively affected by the refund.

For More Information

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

To read the entire briefing: http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/2014-15/locbrf.pdf