



Department of Local Affairs (DOLA)

Partnership in Community Development
October 7, 2011



“Community” 101

- Successful communities are more about shared VISION and shared VALUES than shared zip codes.
- The most valuable asset that any community has is its PEOPLE, and their ability to collaborate on their shared vision and values.
- *“Where there is no vision, the people perish.”*
(Prov 29:18)



DOLA's Mission and Added Value

Strengthening communities and enhancing livability

1. Equitable & consistent implementation of property tax laws
2. Emergency preparation, prevention, response and recovery
3. Safe affordable housing
4. Community development that is revitalizing and sustainable
5. Technical & financial support for community needs



DOLA's Core Competency and Summary of Assistance

1. Technical Assistance

- Assist citizens, local government, non-profits, state agencies, General Assembly and Governor's Office
- 326 intensive technical assistance engagements in 2010
- DOLA ...a **partner** in solving problems to achieve **better communities**

1. Financial Assistance

- Awarded \$381,515,992 in FYs 2009-2011 which leveraged \$1,138,332,826 of local dollars (ratio 1:2.98)
- Generated 28,127 direct/indirect jobs in FYs 2009-2011



Technical Assistance

1. Strategic Planning/Capital Improvement/Infrastructure
2. Budget/Finance Management
3. Land Use/Environmental Planning
4. Economic Development
5. Personnel and Human Resource planning
6. Elections
7. Housing
8. Emergency Management
9. Property Tax
10. General Administration
11. Statutory Compliance





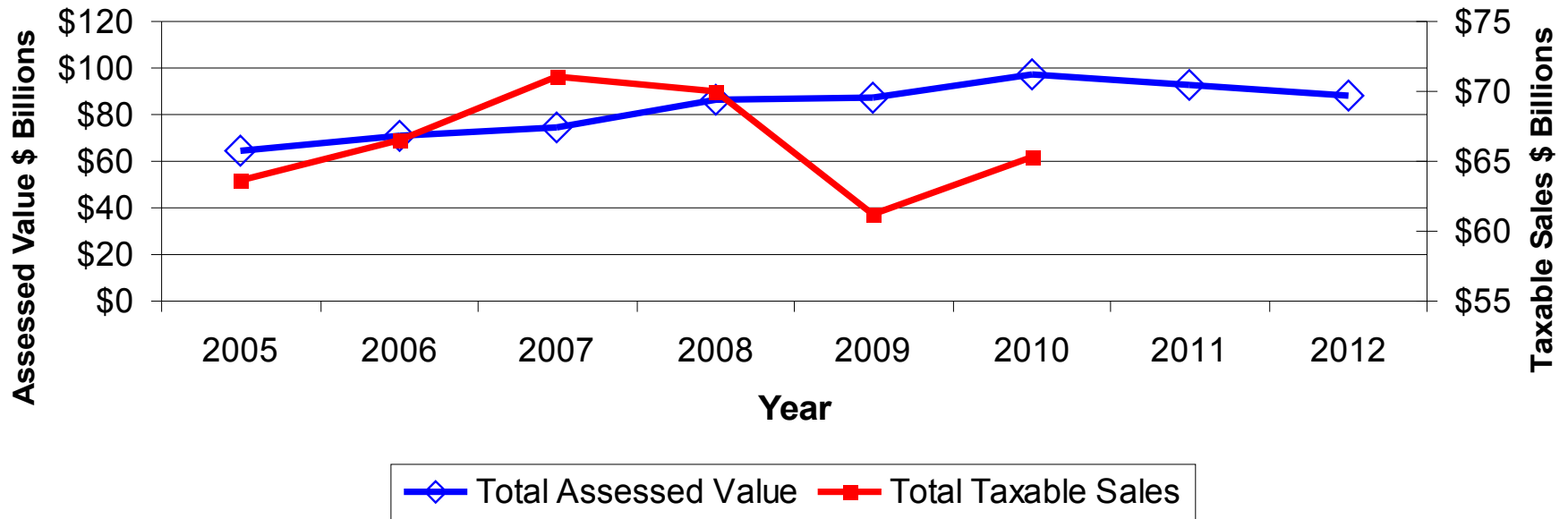
Total DOLA Grants FY 2011

<input type="checkbox"/> Total projects funded	253
<input type="checkbox"/> Total grant \$ awarded	\$67,940,792
<input type="checkbox"/> Total dollars leveraged	\$254,669,742 (1:3.7 ratio)
<input type="checkbox"/> Total invested	\$322,610,533
<input type="checkbox"/> Total direct & indirect jobs generated	7,170



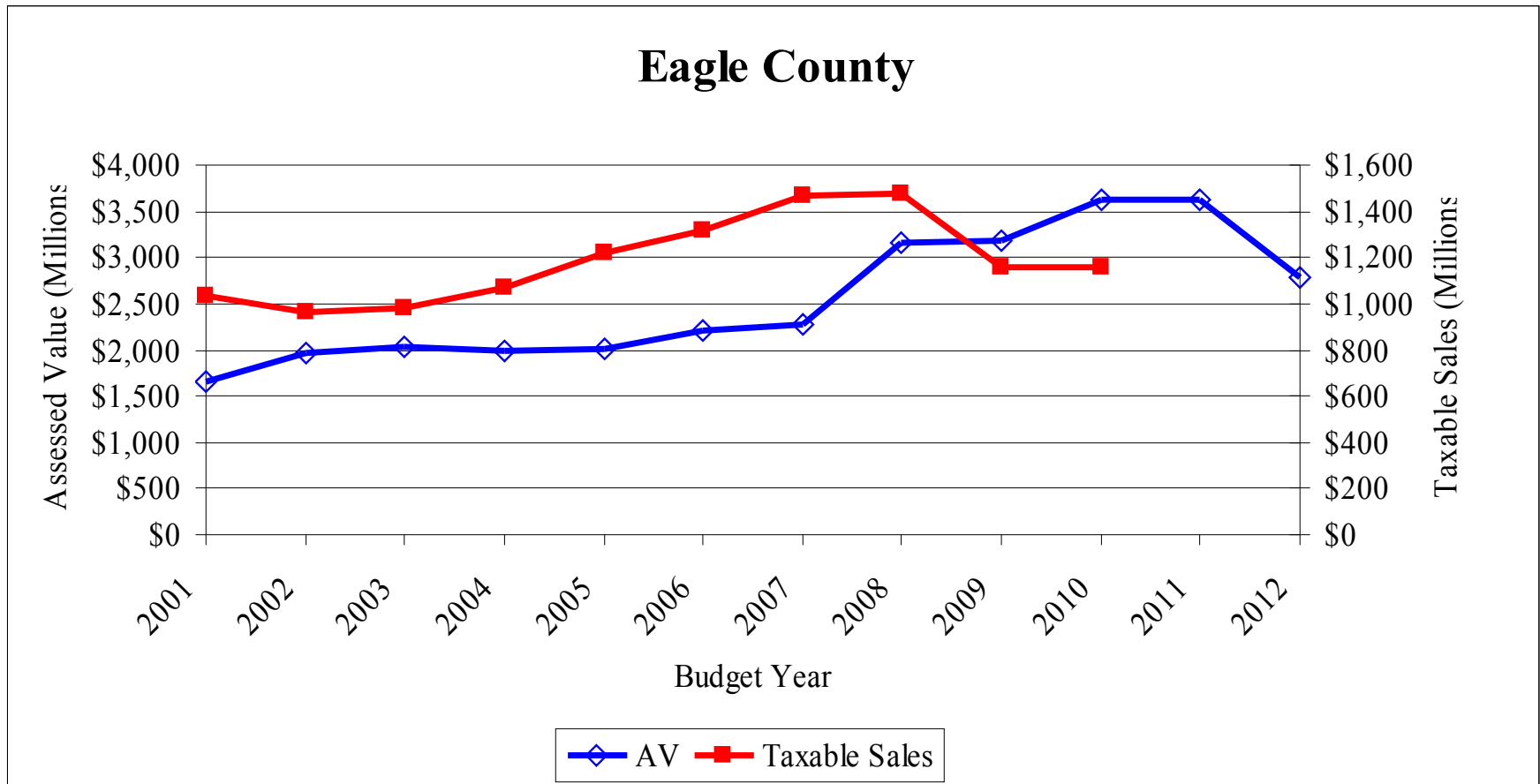
Declining Revenue: Impact on Infrastructure

Statewide Assessed Value and Taxable Sales





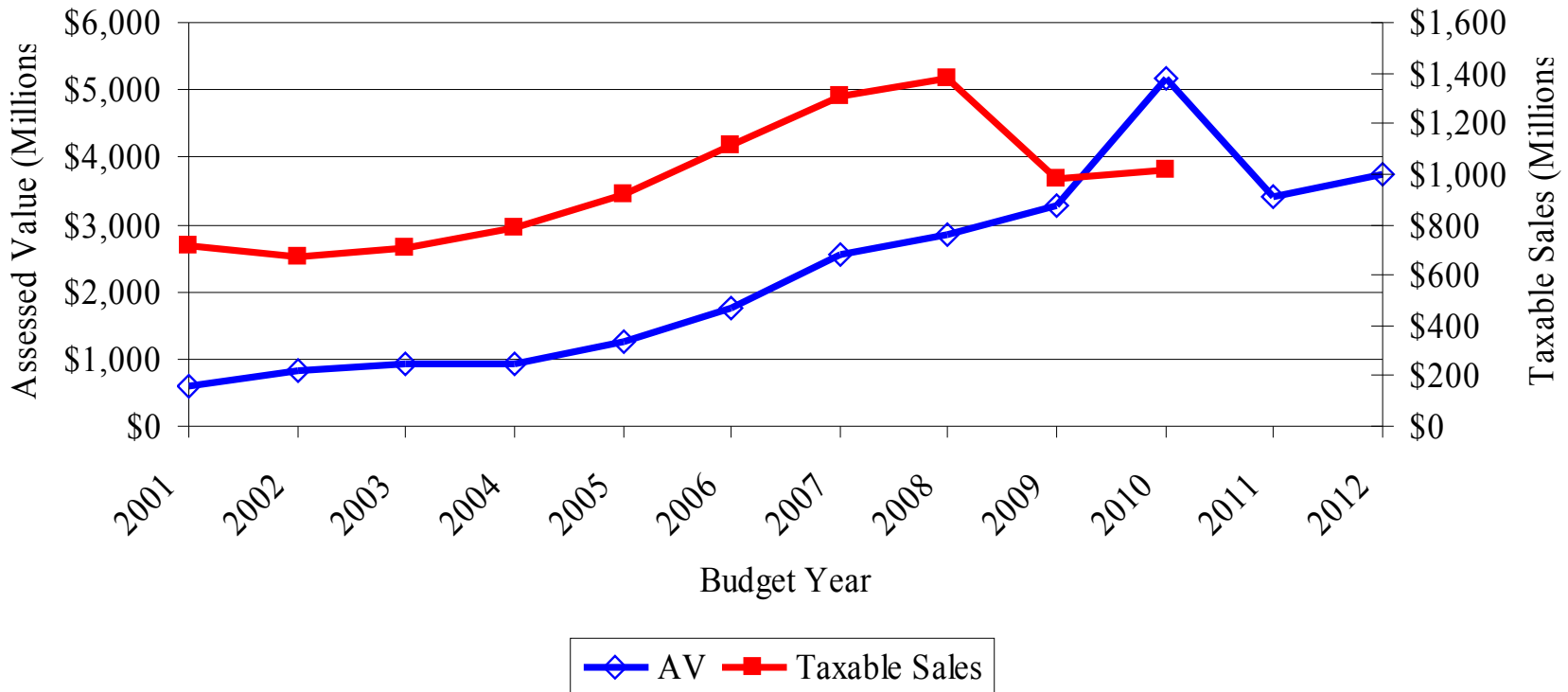
Declining Revenue: Impact on Infrastructure





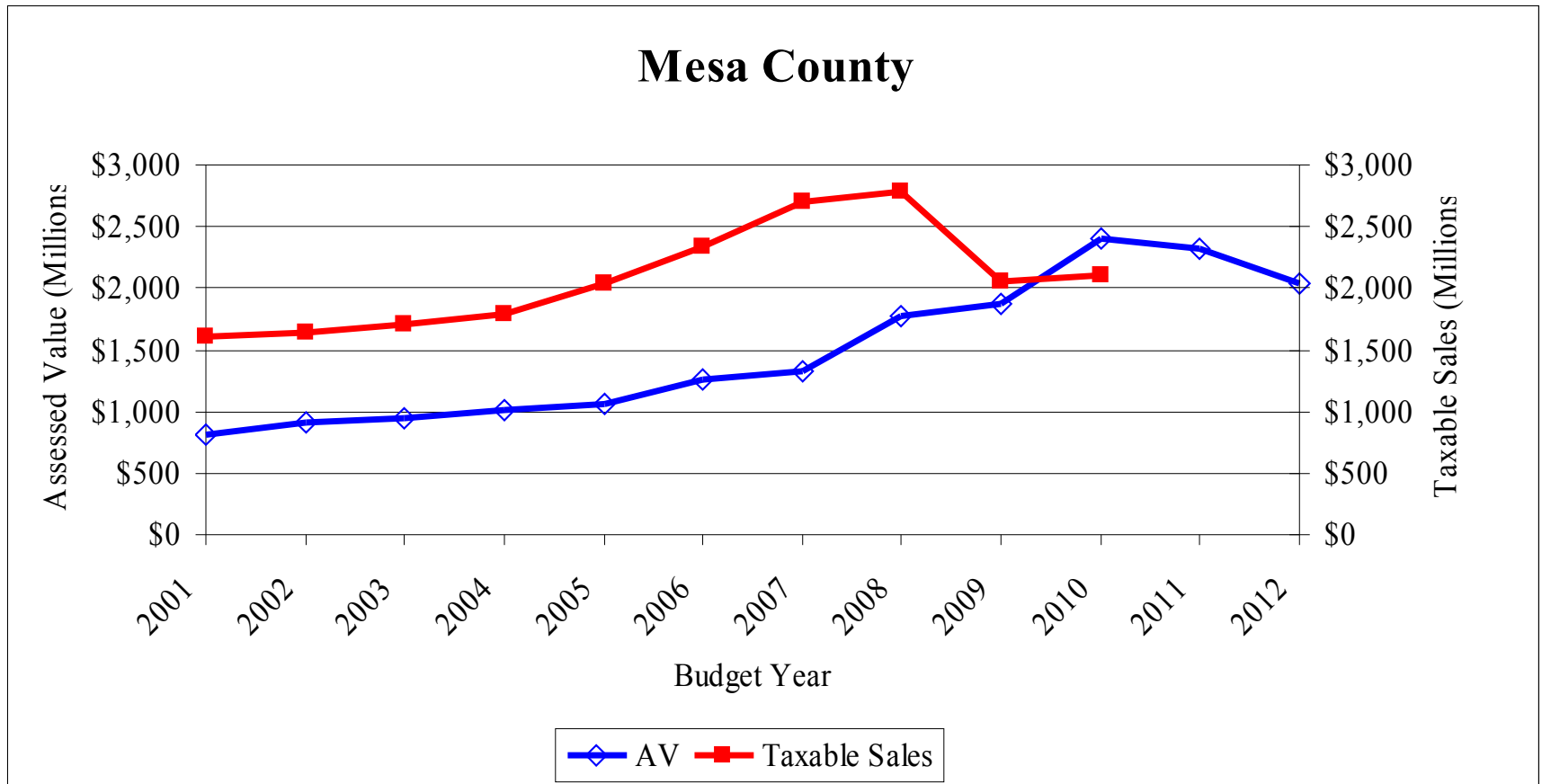
Declining Revenue: Impact on Infrastructure

Garfield County





Declining Revenue: Impact on Infrastructure





Declining Revenue: Impact on Infrastructure

Local Government Revenues 2000 - 2008

	Sales Tax	Property Tax	State / Federal Sources	Other
Municipalities	49%	9%	13%	29%
Counties	14%	38%	31%	17%



Declining Revenue: Impact on Infrastructure

Changes in 2009 and 2010

Total Municipal Revenue (general and business activities)	Amount of Decline (median)
65% experienced a decline from 2008 to 2009	-12.7%
42% experienced a decline from 2009 to 2010	-9.1%
59% had revenues in 2010 less than 2008 levels	-14.8%
25% experienced a decline over both periods	



Declining Revenue: Impact on Infrastructure

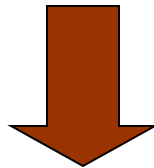
Changes in 2009 and 2010

Total Unrestricted Net Assets (fund balances)	Amount of Decline (median)
49% experienced a decline from 2008 to 2009	-13.9%
36% experienced a decline from 2009 to 2010	-14.5%
45% had fund balances in 2010 less than 2008 levels	-15.7%
21% experienced a decline over both periods	



Grant Dollars Declining

- 2009 DOLA awarded 662 projects \$134,116,452
- 2010 DOLA awarded 452 projects \$ 179,458,749
- 2011 DOLA awarded 253 projects \$67,940,792
- **Grant dollars from federal and state governments are decreasing**





Energy Impact Fund 101

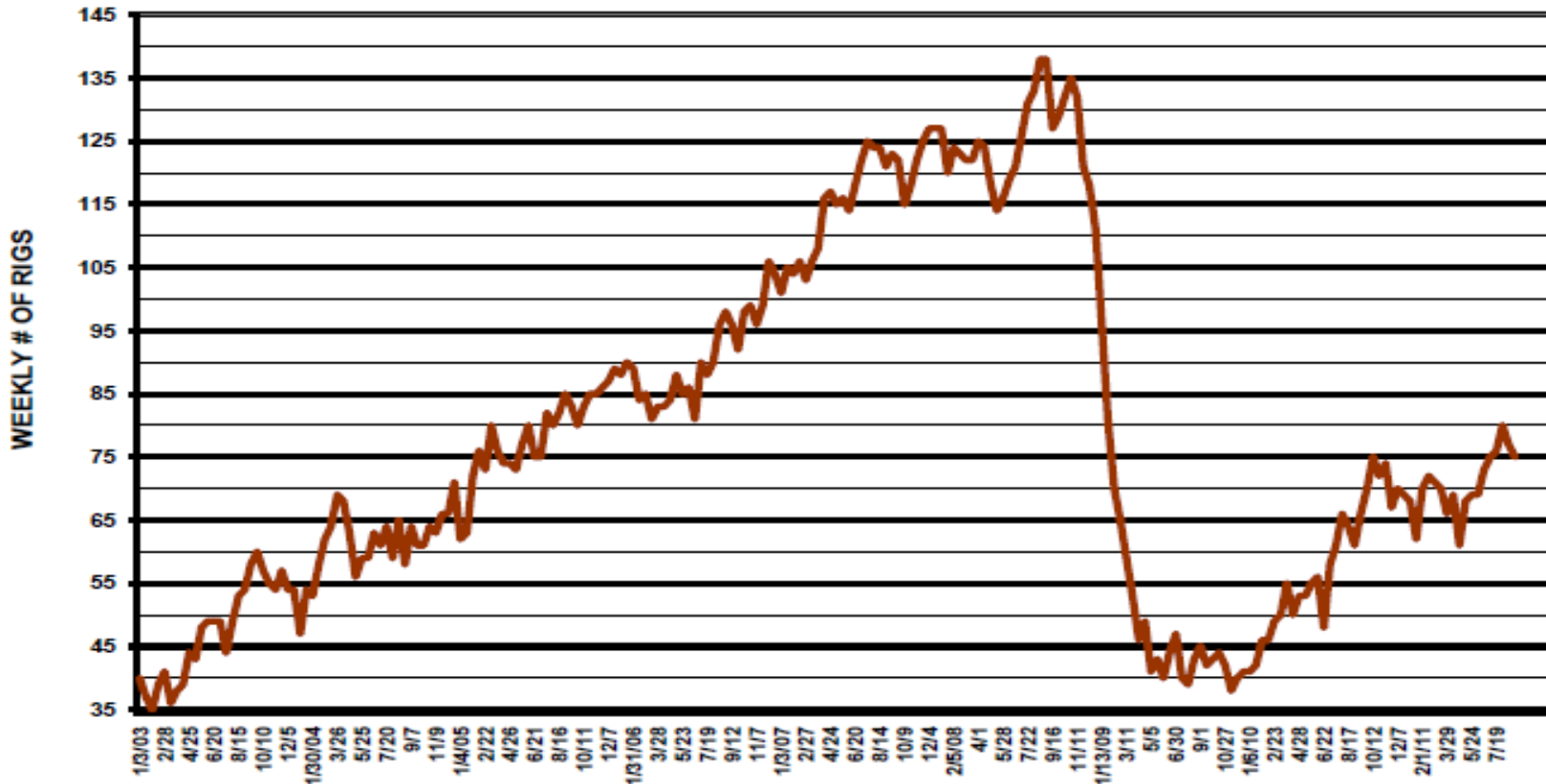
- **The Energy & Mineral Impact Assistance Fund (EIAF) is intended to “*assist political subdivisions that are socially and/or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels*”.**

- **The Fund is collected from two sources: Severance Taxes and Federal Mineral Lease Revenues.**



More Drilling Activity = More Energy Production

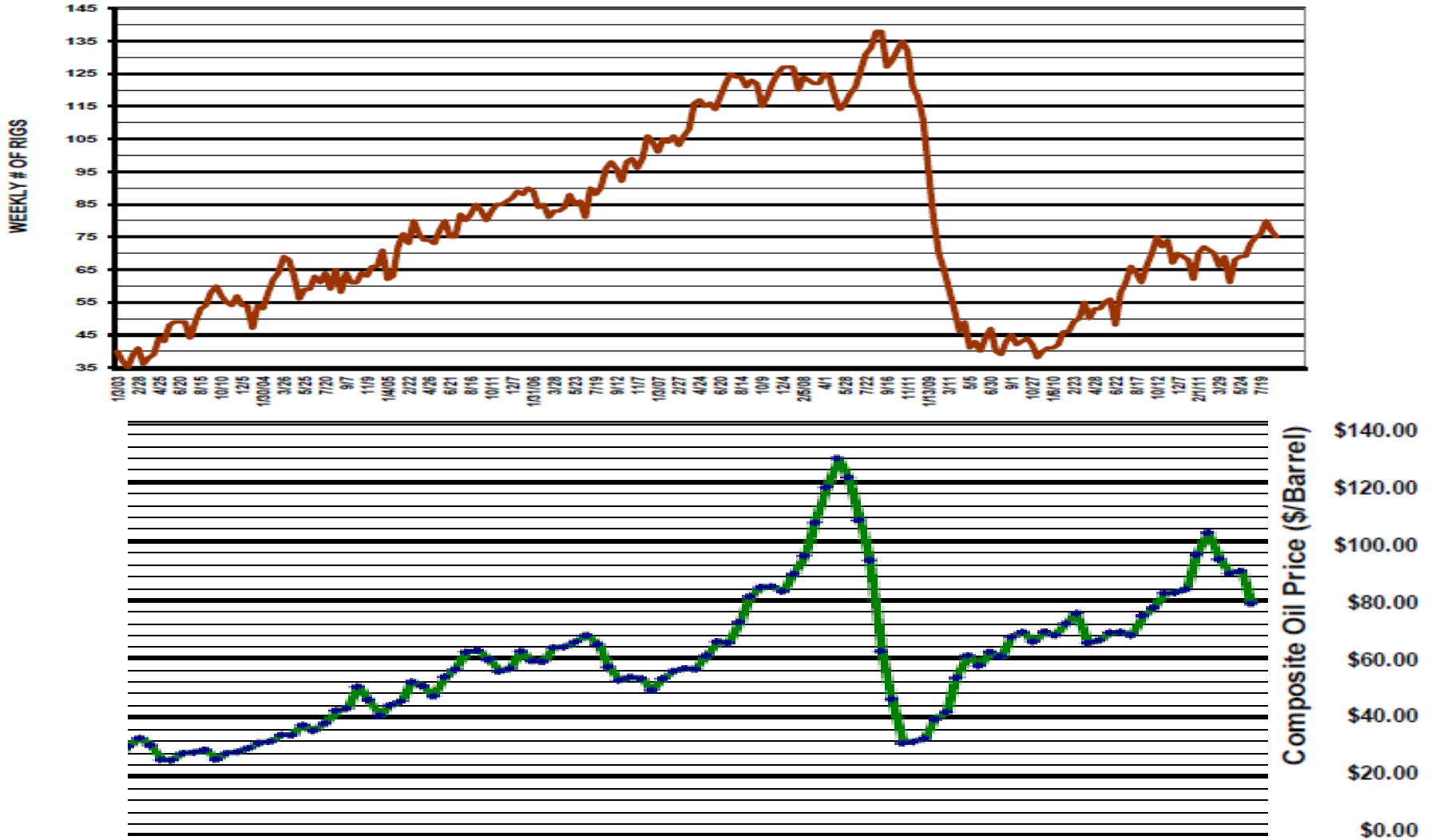
**TOTAL DRILLING RIGS RUNNING
IN COLORADO EVERY OTHER WEEK IN 2003-2011**
(Based on Data in: through 4/30/03, PI/Dwights Drilling Wire -- after 4/30/03, Anderson
Reports Weekly Rig Status Report)





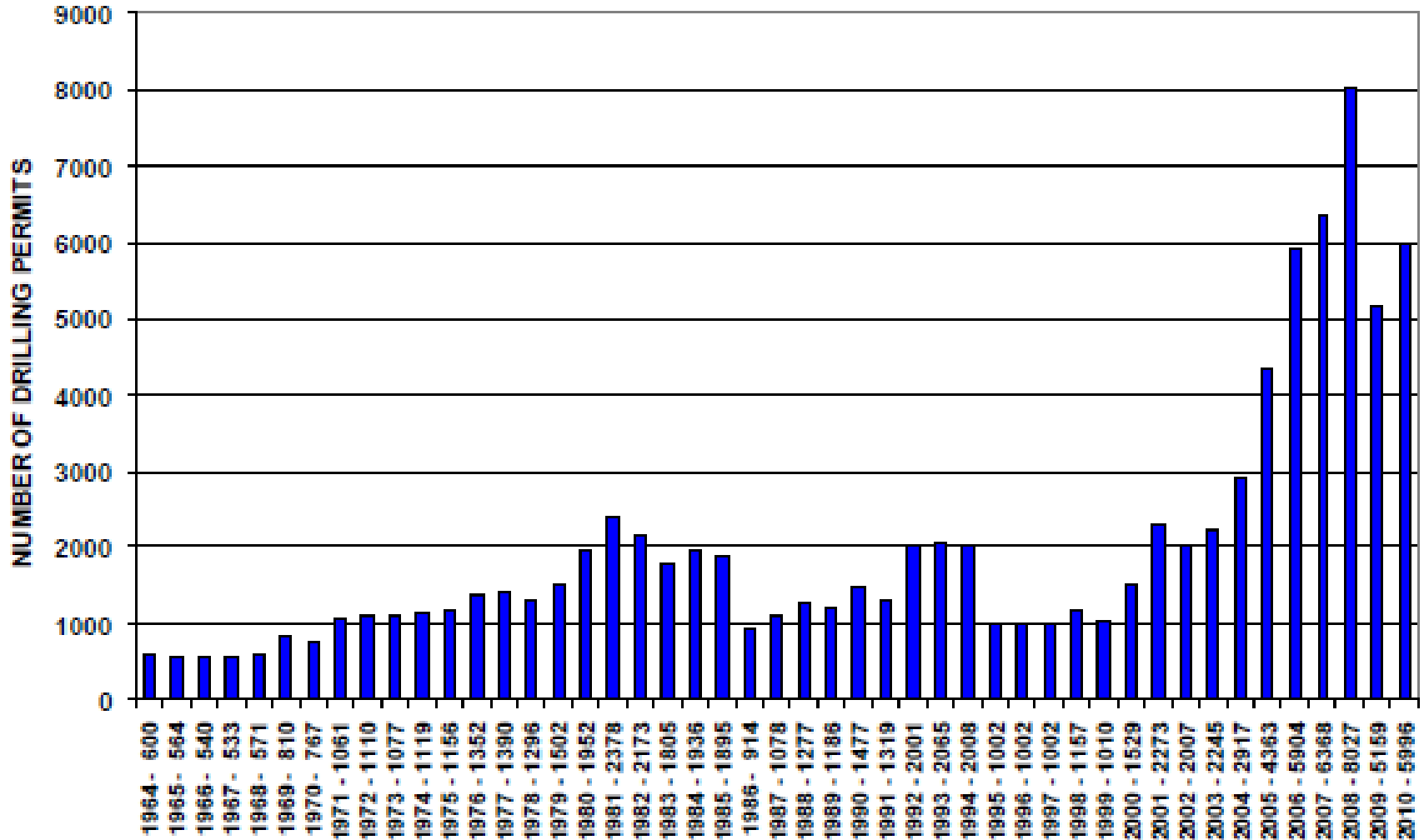
Drilling Activity is Influenced by Price

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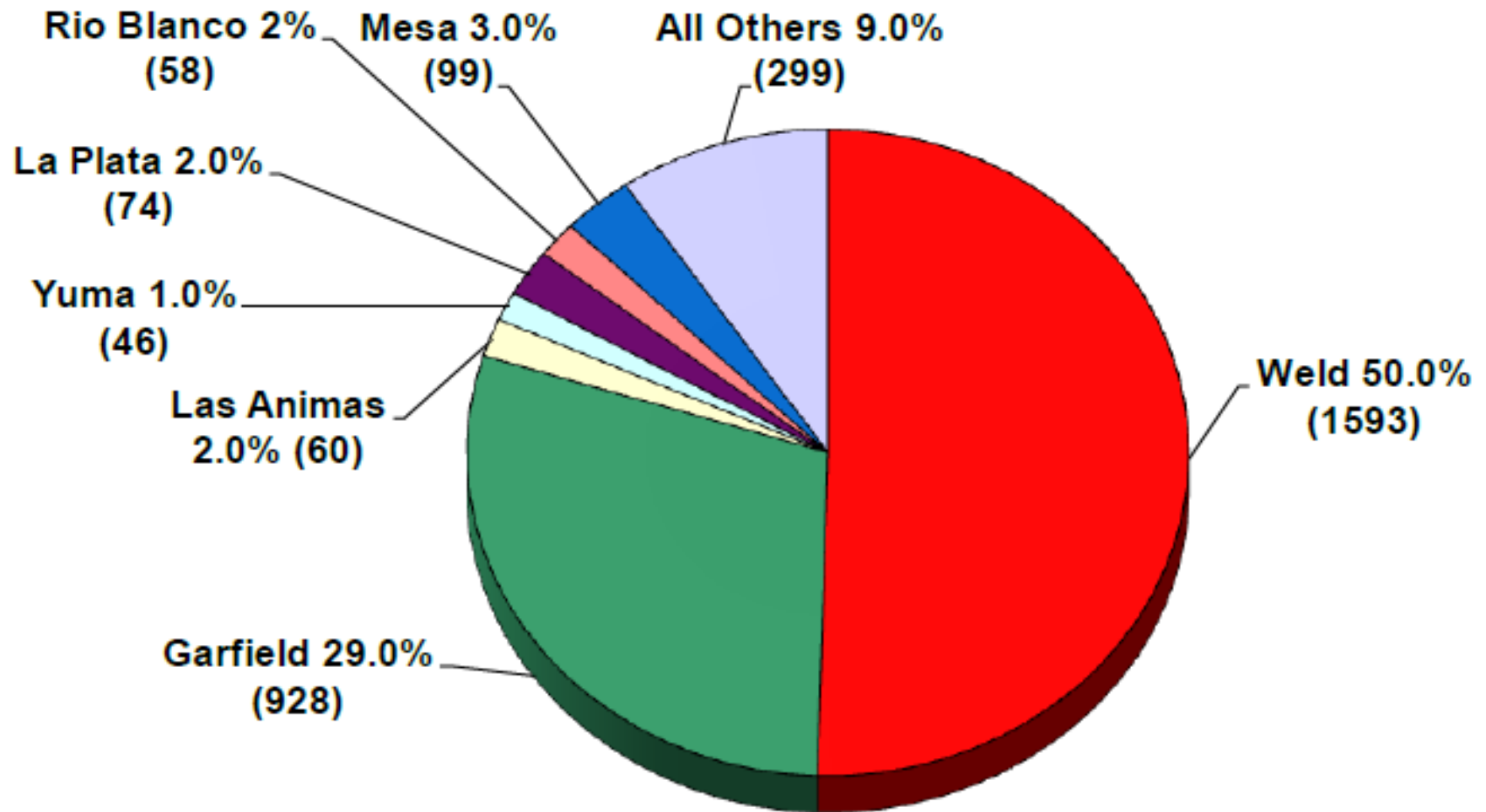


HISTORIC ANNUAL COLORADO DRILLING PERMITS 09-07-11



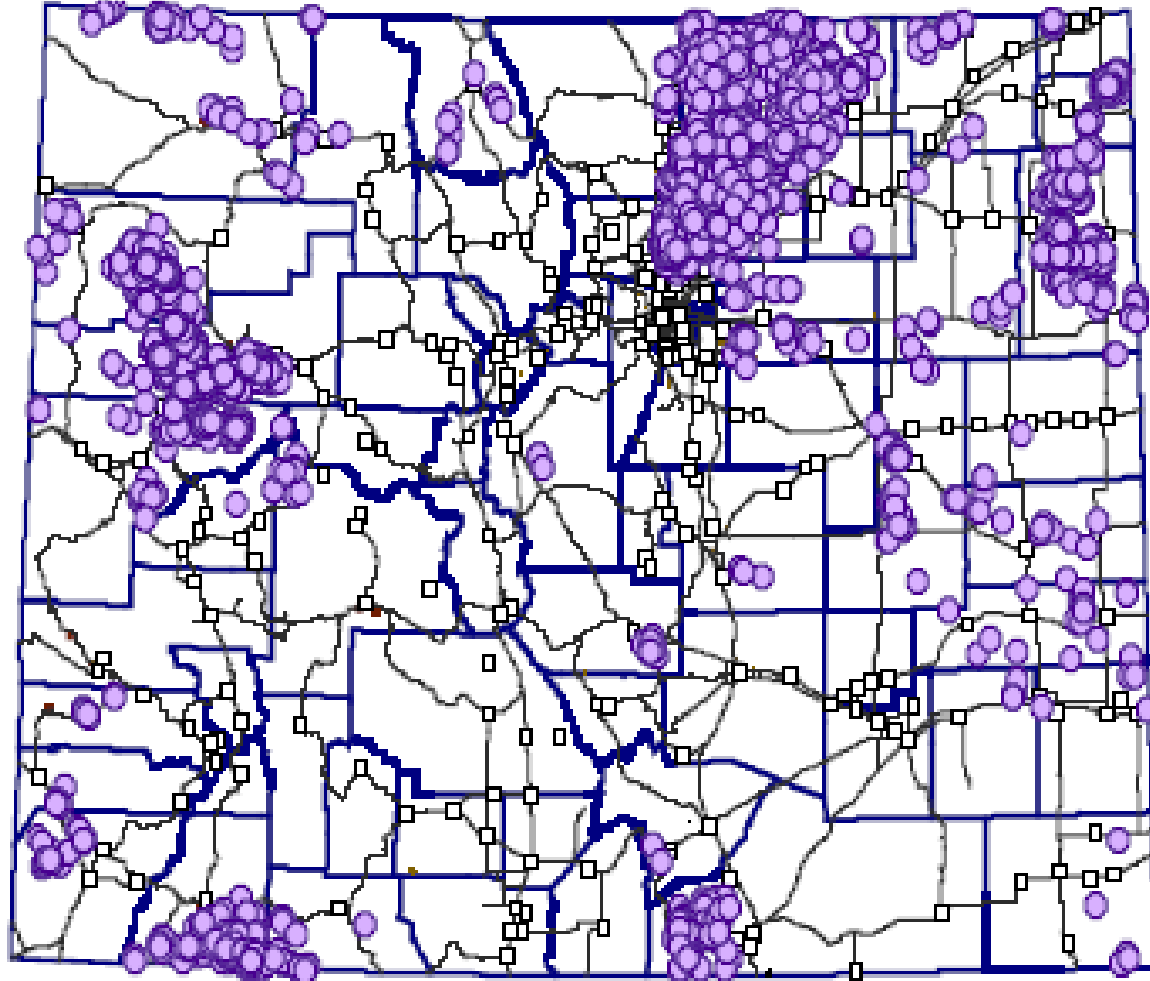
COLORADO OIL AND GAS 2011 DRILLING PERMITS BY COUNTY

as of 09-07-11





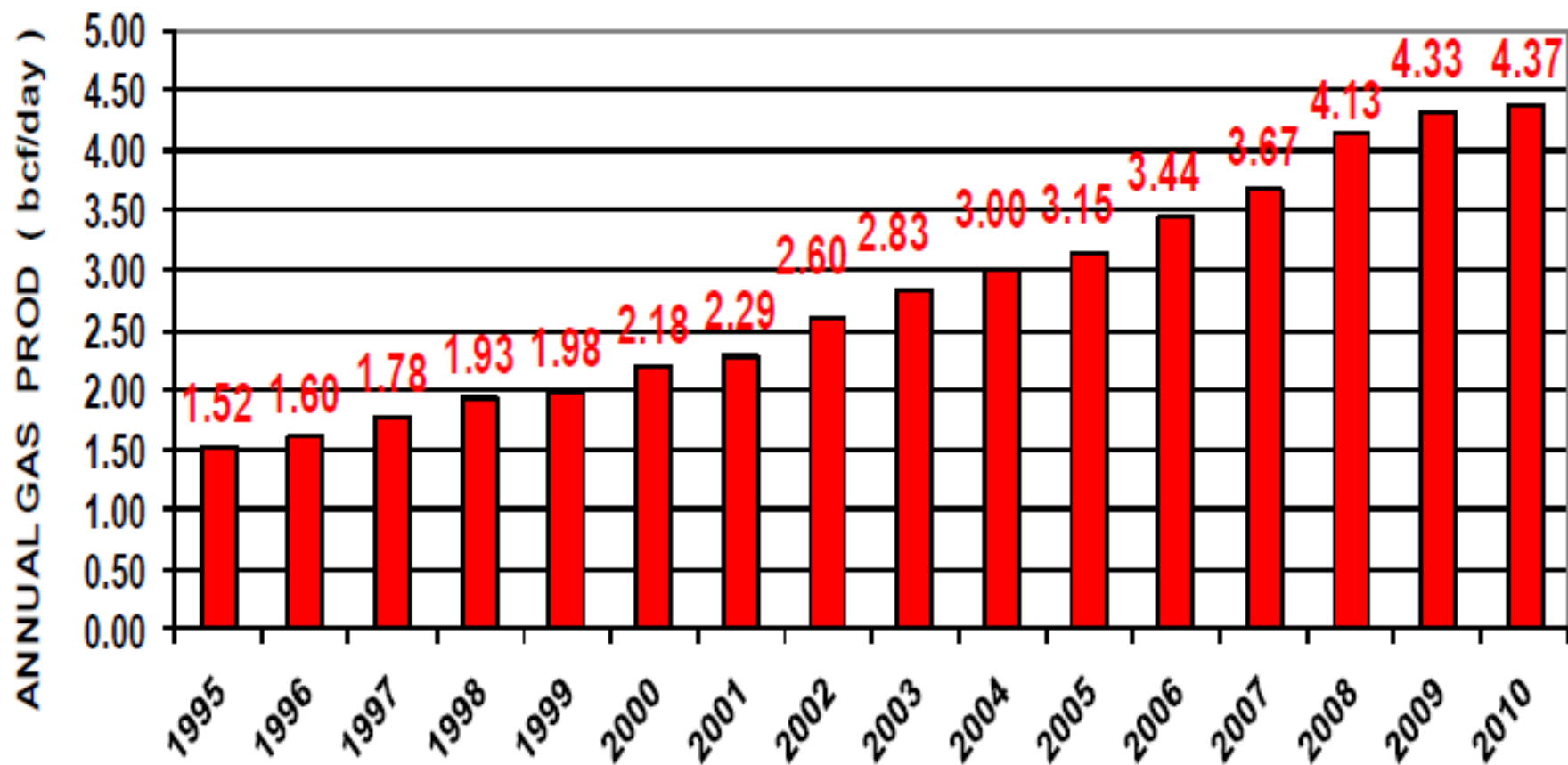
Recent Colorado Oil & Gas Well Permits (9/7/11)



COLORADO NATURAL GAS PRODUCTION

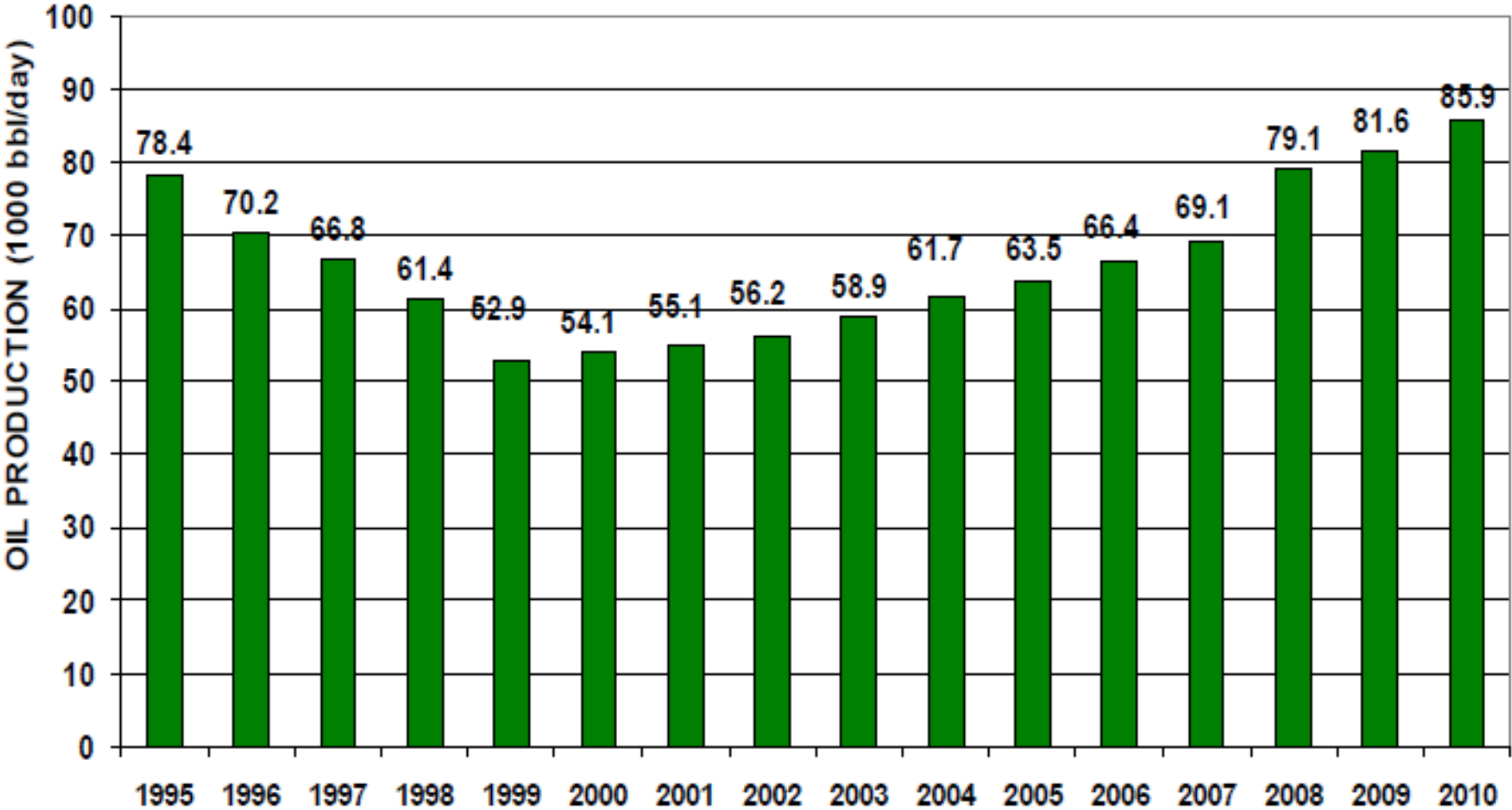
1995-2010

BILLION CUBIC FEET OF GAS PER DAY 09-07-11



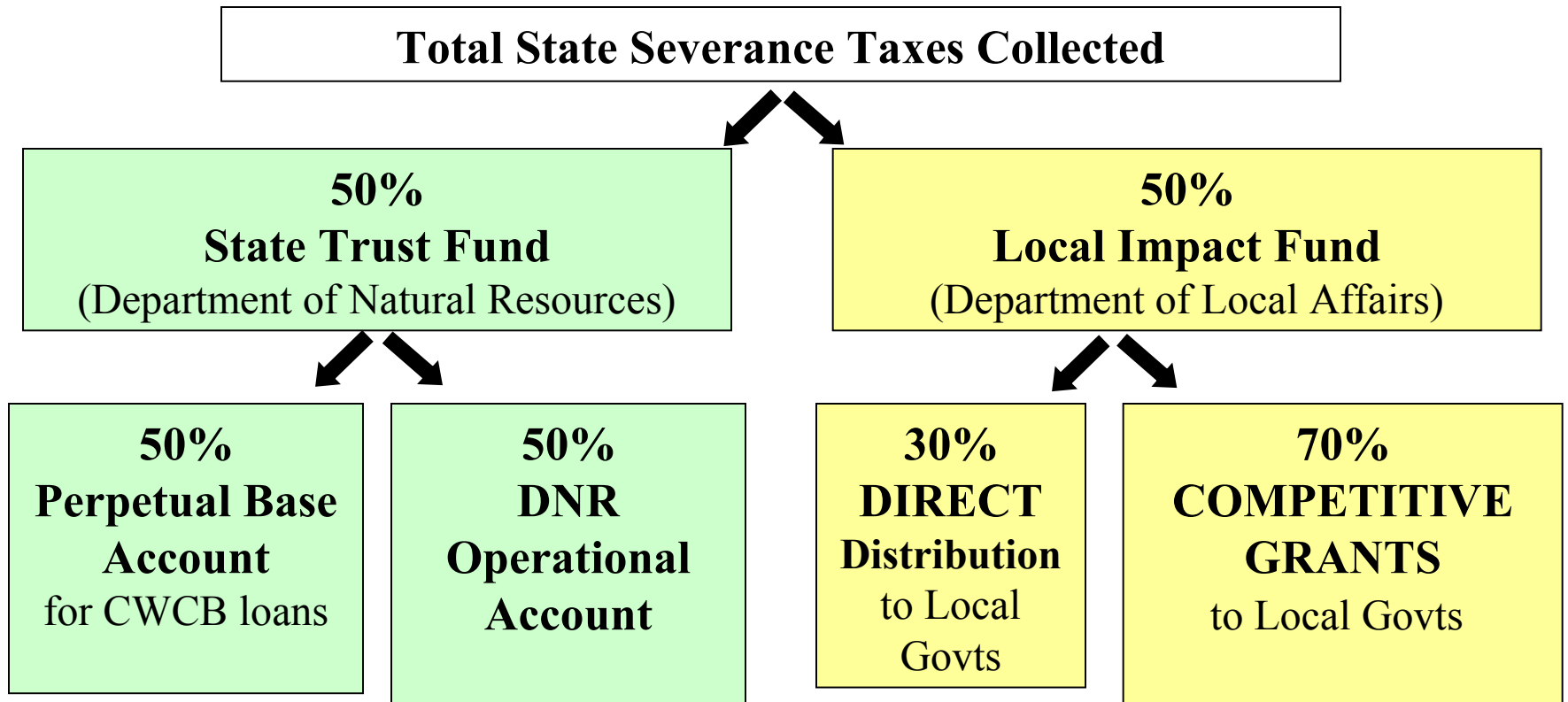
COLORADO OIL PRODUCTION 1995-2010

THOUSAND BARRELS PER DAY 09-07-11





How Energy Impact Funds are distributed: SEVERANCE TAXES



(Capped at \$50m; remainder flows to CDPHE's Small Communities Water and Wastewater Grant Fund.)



Recent History of Severance Tax Revenues

	2008-09	2009-10	2010-11	2011-12 (est)
Revenue	\$148,168,000	\$43,933,000	\$72,373,000	\$77,400,000
Direct Distribution*	\$44,450,000	\$11,939,000	\$22,708,000	
New Grants	\$30,876,000	\$456,000	\$418,000	
Transfers to General Fund	\$7,500	\$50,300,000	\$70,000,000	\$41,000,000

* Direct Distributions are made in the year AFTER the revenue is received. Listed figures are specific to that year's revenues, but were actually distributed in the following year.



How Energy Impact Funds are distributed: FEDERAL MINERAL LEASE

Total Federal Mineral Lease Collections

51%
U.S. Treasury

49%
Bonus
Receipts

49%
Non-Bonus Receipts

50%
Local
Govt
Perm
Fund

50%
Higher
Educ
Reserv
Fund

48.3%
State Public School
Fund

10%
Colorado
Water
Conserv
Board

1.7%
Local
School
Dist
Direct
Distrib

40%
Local Impact
Distrib Program

(spillover)

(spillover)

(spillover)

50%
Local Gov
DIRECT
Dist

50%
Local Gov
GRANTS



Recent History of Federal Mineral Lease Revenues

	2008-09	2009-10	2010-11	2011-12 (est)
Revenue (FML + Sev Tax)	\$88,519,000 \$236,687,000	\$50,827,000 \$94,760,000	\$62,807,000 \$135,180,000	\$63,680,000 \$141,080,000
Direct Distribution* (FML + Sev Tax)	\$35,894,000 \$80,344,000	\$25,442,000 \$37,381,000	\$31,947,000 \$54,655,000	
New Grants (FML + Sev Tax)	\$14,115,000 \$44,991,000	\$1,200,000 \$1,656,000	\$80,000 \$498,000	
Transfers to General Fund (FML + Sev Tax)	\$1,000,000 \$1,007,500	\$22,600,000 \$72,900,000	\$15,000,000 \$85,000,000	\$30,000,000 \$71,000,000

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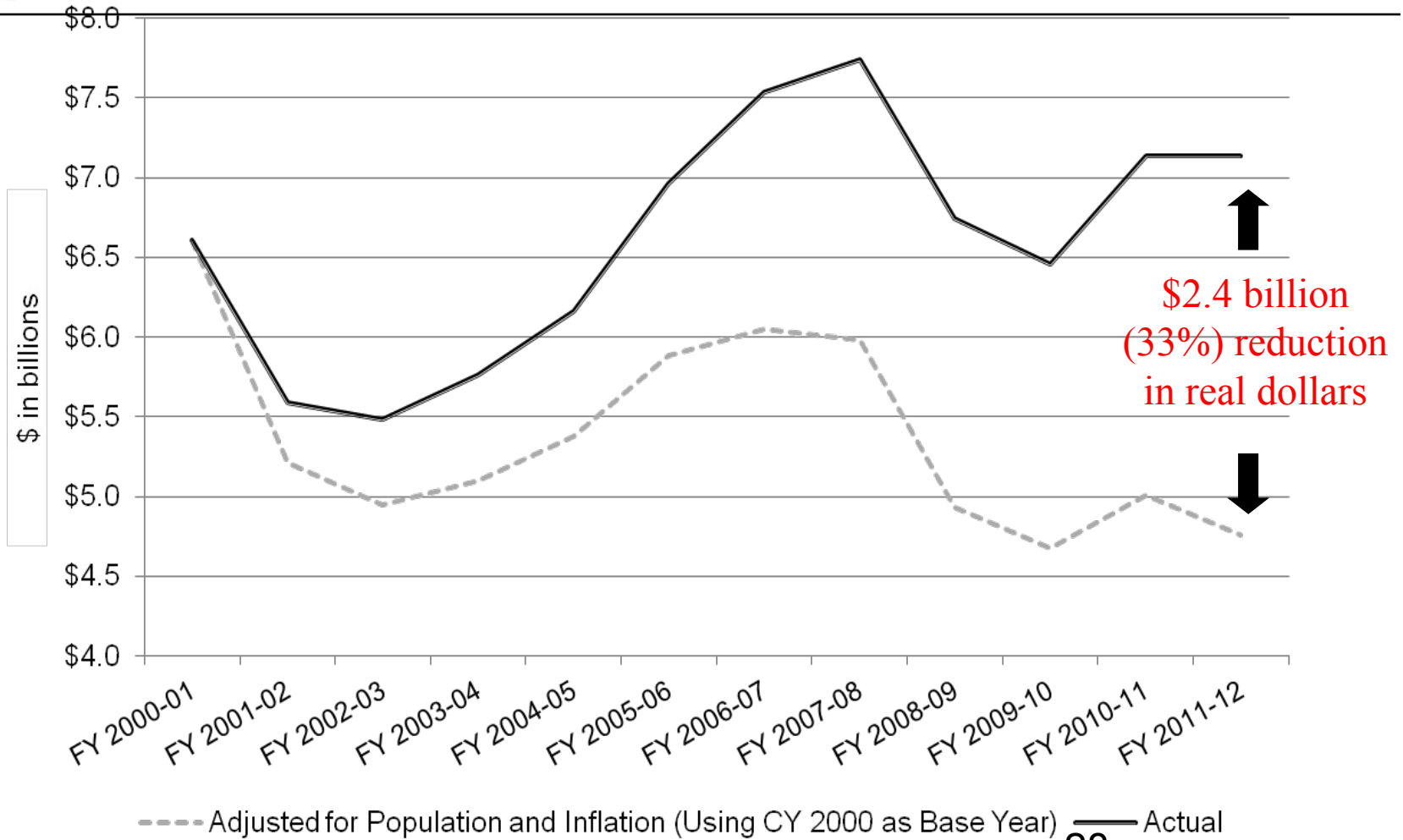
State Budget 101

- **Amendments to the state’s constitution over the last 25 years have created a “structural deficit” that prevents the state from being able to meet spending needs to meet the citizens expectations.**
- **Because our constitution requires us to balance our budget every year (that’s a GOOD thing!), the state must make significant cuts in discretionary program spending and transfer other cash funds – such as Energy Impact funds - to the General Fund.**



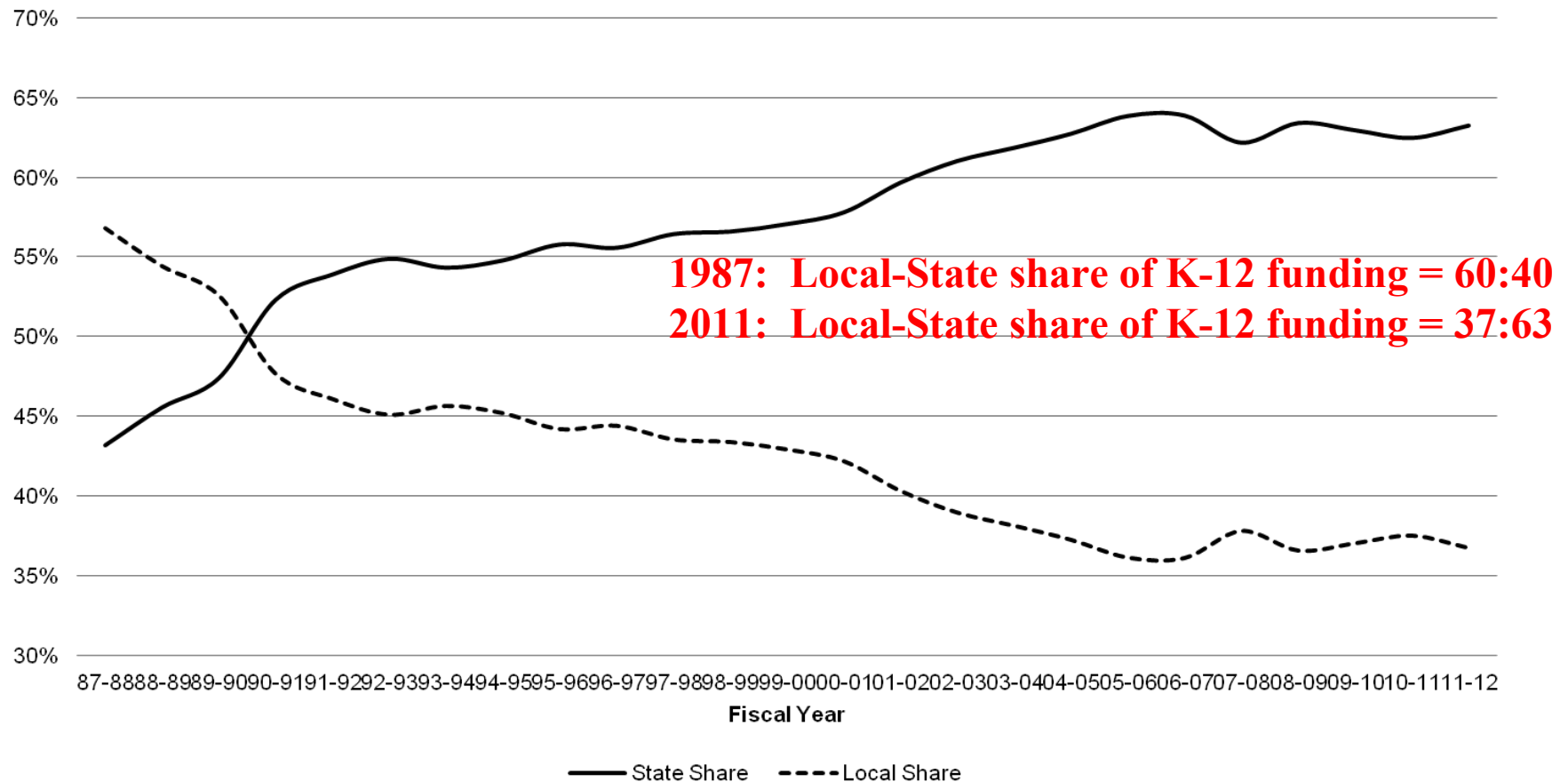
General Fund Revenue, FY 2000-01 to FY 2011-12

Actual and Adjusted for Population and Inflation



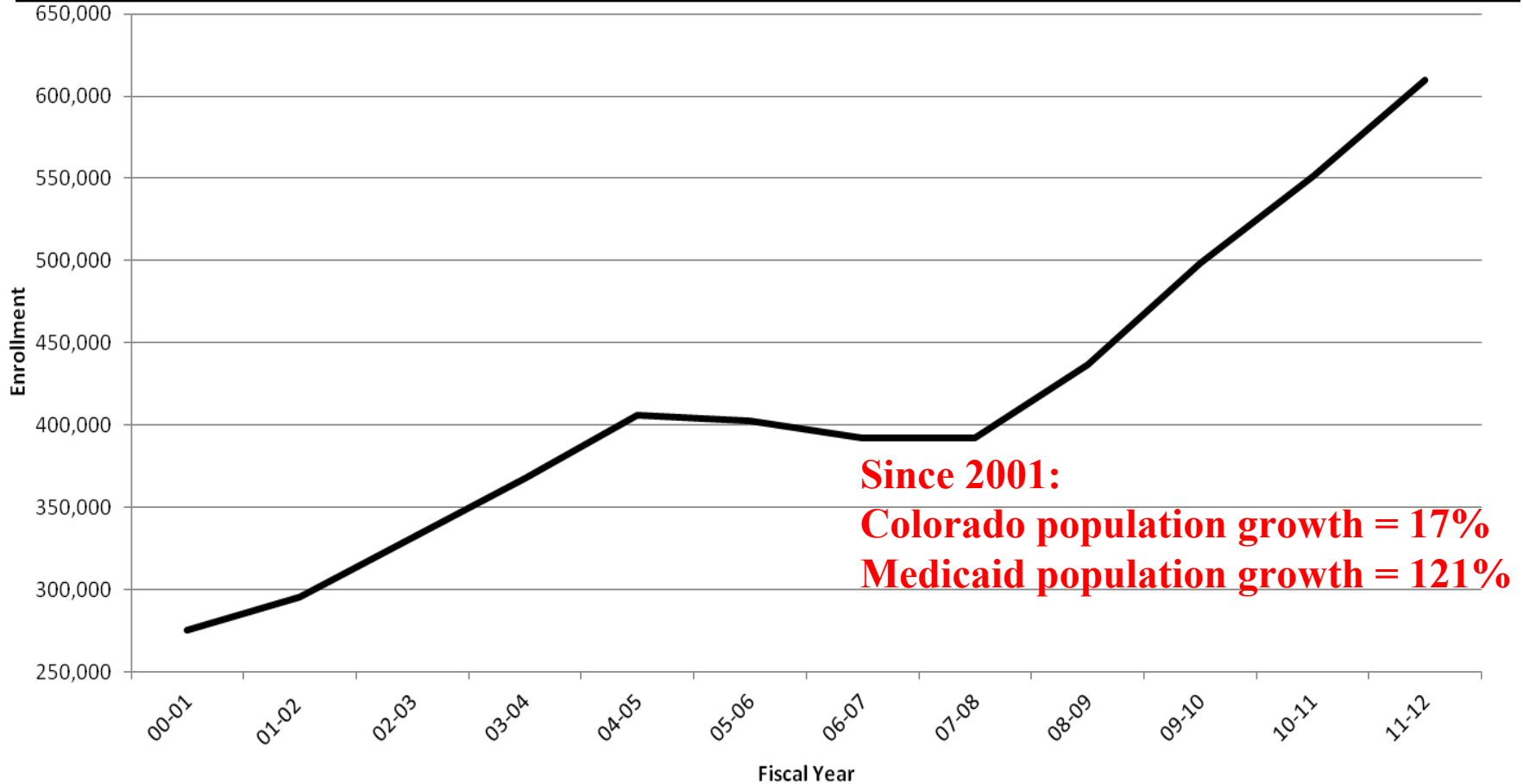


K -12 Shift from Local to State Funding



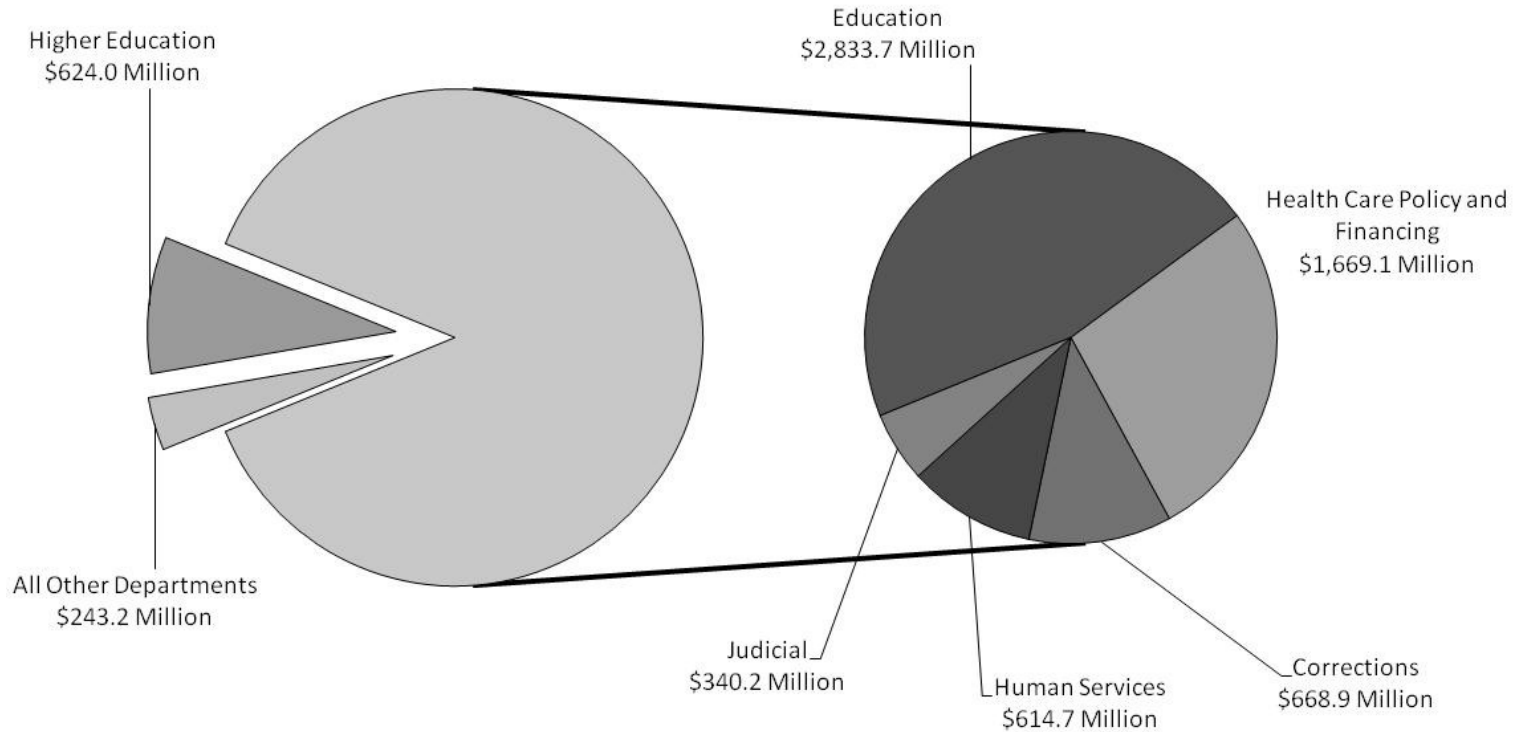


Medicaid Enrollment Growing



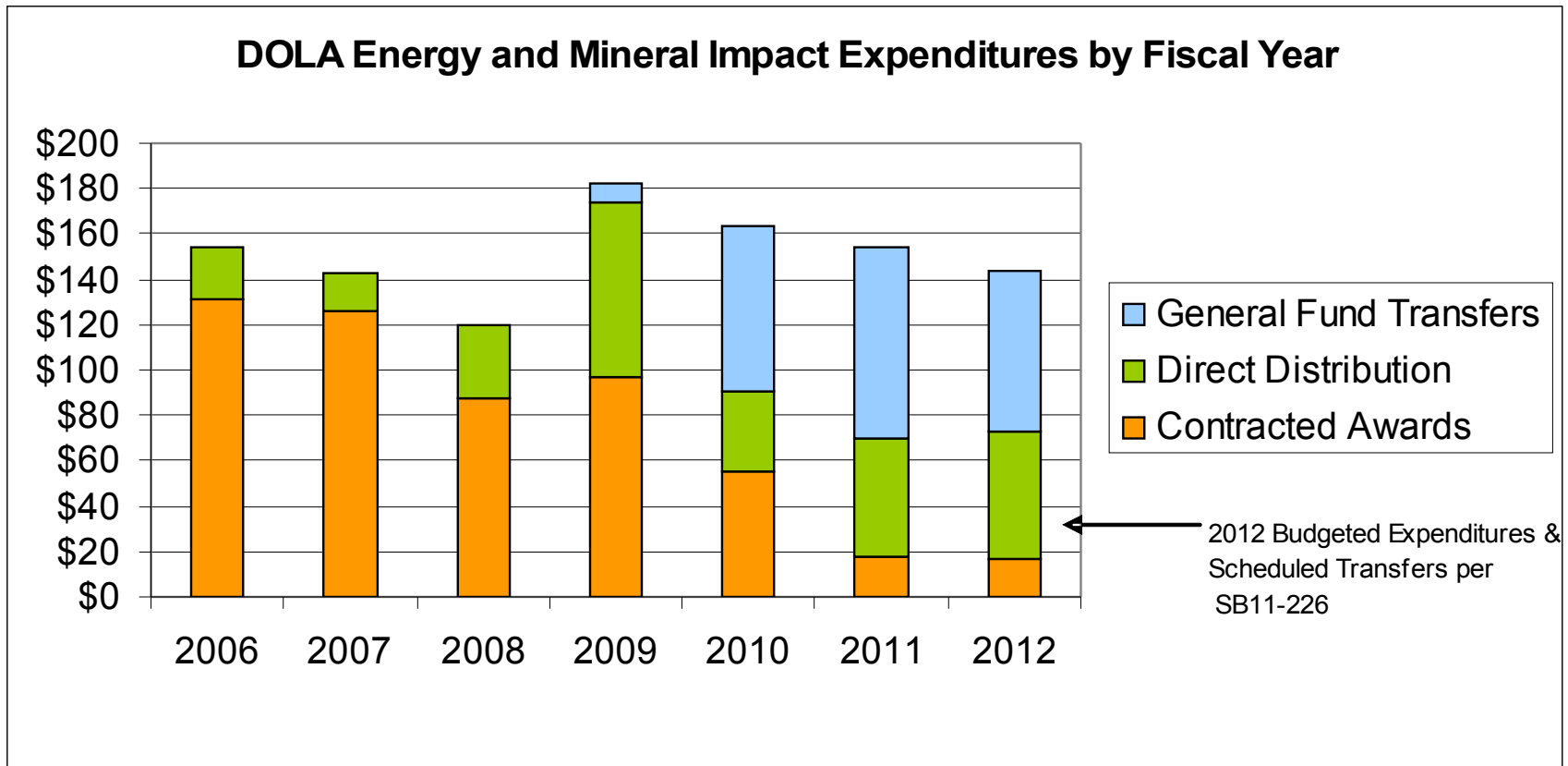


FY 2011-12 General Fund Appropriations \$7,013.8 Million



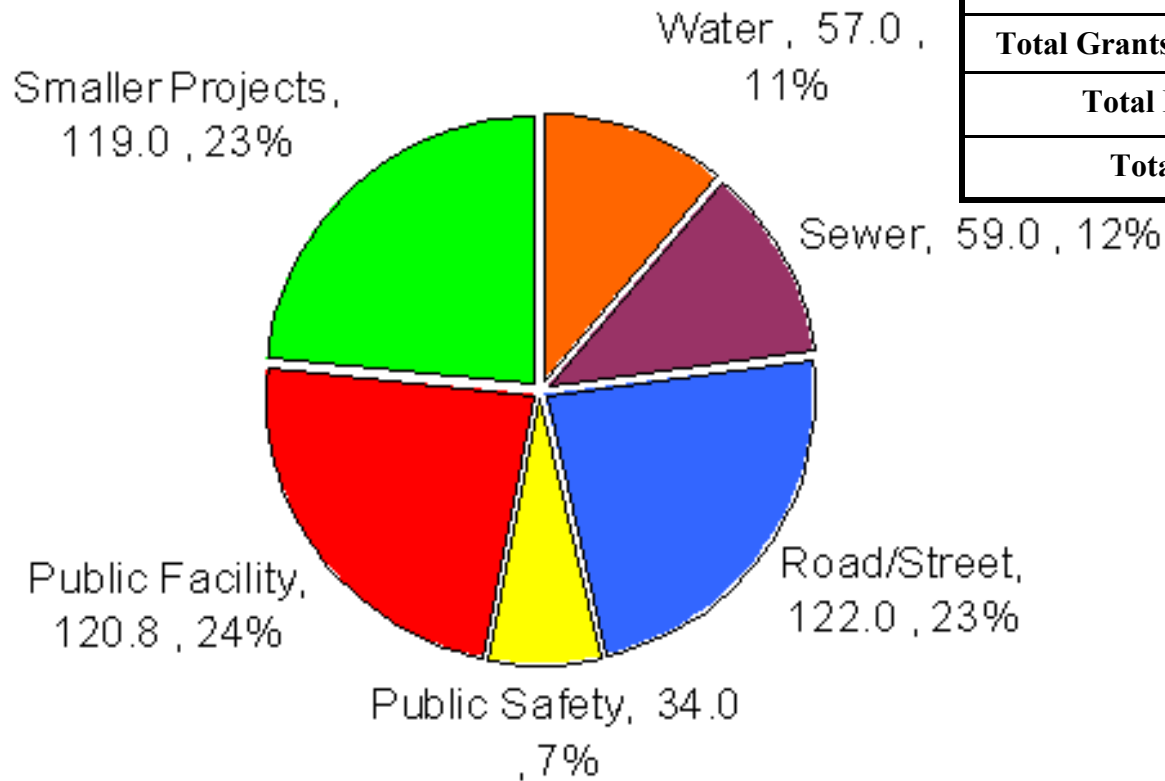


Trends in DOLA Energy Impact Assistance





Energy Impact Competitive Grant Program FY 2005- 2011



Total Projects Funded:	1,609
Total Grants Awarded:	\$513,525,032
Total Leveraged:	\$1,519,490,961
Total Invested:	\$2,033,015,994



Unmet Needs of Local Government

Statewide

- ❑ Water: 494 projects, \$1.9 BILLION unmet funding need
- ❑ Wastewater: 551 projects, \$2.9 BILLION in unmet funding need
- ❑ Transportation: \$12.2 BILLION shortfall for local roads and bridges projected through 2035
- ❑ Unmet needs are growing



What is DOLA doing to help during times of reduced financial resources?

- In “boom times,” DOLA focuses on providing technical and financial assistance for dealing with IMMEDIATE infrastructure needs.
- In between “booms”, DOLA focuses on providing technical assistance to help communities prioritize limited resources and plan for the future.



Partnership is the Key

- **DOLA's mission is to strengthen communities and enhance livability.**
- **We achieve this by partnering with local governments to meet their community planning and infrastructure needs.**
- **Private sector partnership is essential to accomplishing these goals.**



Thank You!

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